



การพัฒนากระบวนการสร้างนวัตกรรมทางธุรกิจสำหรับบริษัทชาวจีนในเขตพัฒนาพิเศษภาค
ตะวันออก

Development of a Business Model Innovation Process for Chinese Business
Corporations in the Eastern Special Development Zone

CHIDCHAI MUENSRIPHUM

Burapha University

2021

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ตะวันออก

ชิตชัย หมั่นศรีภูมิ

คุณูปนิพนธ์นี้เป็นส่วนหนึ่งของการศึกษาตามหลักสูตรปรัชญาดุษฎีบัณฑิต
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2564
ลิขสิทธิ์เป็นของมหาวิทยาลัยบูรพา



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Development of a Business Model Innovation Process for Chinese Business
Corporations in the Eastern Special Development Zone

CHIDCHAI MUENSRIPHUM

A DISSERTATION SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DOCTOR DEGREE OF PHILOSOPHY
IN RESEARCH AND STATISTICS IN COGNITIVE SCIENCE
COLLEGE OF RESEARCH METHODOLOGY AND COGNITIVE SCIENCE
BURAPHA UNIVERSITY

2021

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The Dissertation of Chidchai Muensriphum has been approved by the examining committee to be partial fulfillment of the requirements for the Doctor Degree of Philosophy in Research and Statistics in Cognitive Science of Burapha University

Advisory Committee

Pattrawadee M. Principal advisor
(Associate Professor Pattrawadee Makmee)

Peera W. Co-advisor
(Dr. Peera Wongupparaj)

Examining Committee

S. Ngudgratok Principal examiner
(Associate Professor Sungworn Ngudgratok)

Pattrawadee M. Member
(Associate Professor Pattrawadee Makmee)

Peera W. Member
(Dr. Peera Wongupparaj)

Pratchaya K. Member
(Assistant Professor Pratchaya Keawkaen)

Yordying T. Member
(Assistant Professor Yordying Thanatawee)

This Dissertation has been approved by the College of Research Methodology and Cognitive Science to be partial fulfillment of the requirements for the Doctor Degree of Philosophy in Research and Statistics in Cognitive Science of Burapha University

Pattrawadee M. Dean of the College of
Research Methodology and
Cognitive Science
(Associate Professor Pattrawadee Makmee)

59810026: MAJOR: RESEARCH AND STATISTICS IN COGNITIVE SCIENCE; Ph.D. (RESEARCH AND STATISTICS IN COGNITIVE SCIENCE)

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CHIDCHAI MUENSRIPHUM : DEVELOPMENT OF A BUSINESS MODEL INNOVATION PROCESS FOR CHINESE BUSINESS CORPORATIONS IN THE EASTERN SPECIAL DEVELOPMENT ZONE. ADVISORY COMMITTEE: PATTRA WADEE MAKMEE, Ph.D., PEERA WONGUPPARAJ, Ph.D. 2022.

The Eastern Special Development Zone (ESDZ) is a special economic zone in the Eastern part of Thailand, comprising three central provinces: Chachoengsao, Chonburi, and Rayong, over a total area of 13,285 km². Chinese FDIs into Thailand had dramatically increased in recent years and had necessitated this research study.

Our results showed casual relationships between the ESDZ environmental dimension, business strategy emphasis, cross-cultural competence, and Chinese corporations' business performance with model fit indices as follows: $\chi^2 = 103.877$, $df = 82$, $\chi^2/df = 1.267$, $p\text{-value} = .052$, $CFI = .998$, $GFI = .976$, $AGFI = .933$, $NFI = .991$, $RMSEA = .026$. Both high and low business performance and cross-cultural competence groups use different business strategy emphasis under the same perceived environmental dimensions. The ESDZ Business Model Innovation Process (EBMIP) is compatible with the Cambridge Business Innovation Process (CBMIP), and its implementations can help moderate the Chinese corporations' business performance.

Future research should explore into 1. In-depth cross-cultural competence context, which is the most apparent factor found in this research study. 2. Comparative business model innovation (BMI) process of different industries. 3. Future inward FDIs that may include FDIs from other countries. 4. Innovative instruments for assessing business performance.



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TABLE OF CONTENTS

	Page
ABSTRACT.....	D
ACKNOWLEDGEMENTS.....	E
TABLE OF CONTENTS.....	F
LIST OF TABLES.....	H
LIST OF FIGURES	K
CHAPTER 1 INTRODUCTION.....	1
1.1 Introduction.....	1
1.2 Research Objectives.....	16
1.3 Research Questions.....	17
1.4 Research Hypothesis.....	17
1.5 Scope of Research.....	18
1.6 Theoretical Framework.....	19
1.7 Conceptual Framework.....	20
1.8 Definitions of Key Words.....	22
1.9 Organization for Remainder of Study.....	25
CHAPTER 2 LITERATURE REVIEW	27
2.1 Foreign Direct Investment (FDI)	27
2.2 Environmental Dimensions	34
2.3 Business Strategy Emphasis	35
2.4 Cross-Cultural Competence.....	37
2.5 Business Model (BM).....	45
2.6 Business Model Innovation (BMI)	47
2.7 The Cambridge Business Model Innovation Process (CBMIP)	53
2.8 The Business Model Canvas.....	55
2.9 Financial Performance	57

2.10 Substantiated Evidence to Proceed with the Research Study	59
CHAPTER 3 METHODOLOGY	62
3.1 Data Collection	62
3.2 Research Samplings	66
3.3 Scale Reliability and Construct Validity	68
3.4 Research Design	70
3.5 Research Flowchart	77
3.6 Ethical Aspects	79
3.7 Research Timeline Framework	80
CHAPTER 4 RESULTS	82
4.1 Chapter Overview	82
4.2 Result Analysis and Findings: Phase 1	82
4.3 Development of the EBMIP: Phase 2	106
4.4 Implementation Phase Results: Phase 3	107
CHAPTER 5 CONCLUSION	173
5.1 Conclusions and Discussions	173
5.2 Limitations and Implications	180
5.3 Recommendations for Further Studies	184
REFERENCES	186
Appendix A Questionnaire (English Version)	210
Appendix B Questionnaire (Chinese Version)	220
Appendix C Focus Group Questions Apportionment (English Version)	230
Appendix D Focus Group Questions Apportionment (Chinese Version)	233
Appendix E Amos Analytical Diagram	235
Appendix F Chinese Language & Culture Course Syllabus	236
BIOGRAPHY	258

LIST OF TABLES

	Page
Table 1 Cross-cultural Competence Definitions.....	39
Table 2 Differences in Small and Large Power Distance Societies.....	41
Table 3 Differences in Weak and Strong Uncertainty Avoidance Societies	42
Table 4 Differences in Collectivist and Individualist Societies.....	43
Table 5 Differences in Feminine and Masculine Societies.....	43
Table 6 Differences Between Short and Long-Term-Oriented Societies	44
Table 7 Differences between Indulgence and Restrained Societies	45
Table 8 BM and BMI Articles Review	49
Table 9 Definitions of BMI.....	51
Table 10 Streams of BMI Research	53
Table 11 Participants' Characteristics in Focus Group Discussion.....	65
Table 12 KMO and Bartlett's Test.....	70
Table 13 Model Fit Indices and Recommended Values for SEM Analysis	86
Table 14 Total, Direct, and Indirect Effects of Independent and Dependent variables	88
Table 15 Business Model Canvas – Company 1 (Recorded before Implementation Phase, dated 5th of June, 2020)	110
Table 16 Business Model Canvas – Company 1 (Recorded after Implementation Phase, dated 25th of September, 2020).....	111
Table 17 Comparison of Key Partner Segment – Company 1 (Before and After Implementation Phase).....	113
Table 18 Comparison of Key Activities Segment – Company 1 (Before and after Implementation Phase).....	114
Table 19 Comparison of Key Resources Segment – Company 1 (Before and after Implementation Phase).....	115
Table 20 Comparison of Value Propositions Segment – Company 1 (Before and after Implementation Phase).....	116



Table 21 Comparison of Customer Relationships Segment – Company 1 (Before and after Implementation Phase)	117
Table 22 Comparison of Customer Segment – Company 1 (Before and after Implementation Phase).....	118
Table 23 Comparison of Channels Segment – Company 1 (Before and after Implementation Phase).....	119
Table 24 Comparison of Cost Segment – Company 1 (Before and after Implementation Phase).....	120
Table 25 Comparison of Revenue Segment – Company 1 (Before and after Implementation Phase).....	121
Table 26 Comparison of New Ideas, Business Opportunities, and Innovations Created During the Integration Process for Company 1	122
Table 27 Business Model Canvas – Company 2 (Recorded before Implementation Phase, dated 9th of June, 2020)	123
Table 28 Business Model Canvas – Company 2 (Recorded before Implementation Phase, dated 9th of June, 2020)	124
Table 29 Comparison of Key Partner Segment – Company 2 (Before and after Implementation Phase).....	126
Table 30 Comparison of Key Activities Segment – Company 2 (Before and after Implementation Phase).....	127
Table 31 Comparison of Key Resources Segment – Company 2 (Before and after Implementation Phase).....	127
Table 32 Comparison of Value Propositions Segment – Company 2 (Before and after Implementation Phase).....	128
Table 33 Comparison of Customer Relationships Segment – Company 2 (Before and after Implementation Phase)	129
Table 34 Comparison of Customer Segment – Company 2 (Before and after Implementation Phase).....	130
Table 35 Comparison of Channels Segment – Company 2 (Before and after Implementation Phase).....	131
Table 36 Comparison of Cross-Culture Integration Segment – Company 2 (Before and after Implementation Phase)	132
Table 37 Comparison of Cost Segment – Company 2 (Before and after Implementation Phase).....	133



Table 38 Comparison of Revenue Segment – Company 2 (Before and after Implementation Phase).....	134
Table 39 Comparison of New Ideas, Business Opportunities, and Innovations Created During the Integration Process for Company 2	135
Table 40 Comparison of Key Partners Segment (Company 1 and 2 after Implementation Phase).....	136
Table 41 Comparison of Key Activities Segment (Company 1 and 2 after Implementation Phase).....	138
Table 42 Comparison of Key Resources Segment (Company 1 and 2 after Implementation Phase).....	139
Table 43 Comparison of Value Proposition Segment (Company 1 and 2 after Implementation Phase).....	140
Table 44 Comparison of Customer Relationships Segment (Company 1 and 2 after Implementation Phase).....	141
Table 45 Comparison of Channels Segment (Company 1 and 2 after Implementation Phase).....	143
Table 46 Comparison of Customer Segment (Company 1 and 2 after Implementation Phase).....	144
Table 47 Comparison of Cost Structure Segment (Company 1 and 2 after Implementation Phase).....	146
Table 48 Comparison of Revenue Structure Segment (Company 1 and 2 after Implementation Phase).....	147
Table 49 Summary of Matching and Different Key Elements in BMC after Implementation Phase of Company 1 and 2	149
Table 50 Internal Financial Statement – Balance Sheet Company 1	154
Table 51 Internal Financial Statement – Income Statement Company 1	154
Table 52 Internal Financial Statement – Balance Sheet (June – September) Company 2.....	163
Table 53 Internal Financial Statement – Income Statement (June – September) Company 2	164



LIST OF FIGURES

	Page
Figure 1 Total BOI Applications Value and FDI Value	4
Figure 2 Theoretical Framework	20
Figure 3 Conceptual Framework	21
Figure 4 Latent and Observable Variables Chart.....	22
Figure 5 The Cambridge Business Model Innovation Process (CBMIP).....	55
Figure 6 Business Model Canvas.....	56
Figure 7 Parallel Database Research Design	71
Figure 8 ESDZ Business Model Innovation Process Framework	72
Figure 9 Execution of Concept Design and Detail Design Phases	73
Figure 10 2-Factor Pretest Posttest Between Subject Quasi-Experimental Design.....	76
Figure 11 Research Phase 1 Flowchart.....	77
Figure 12 Research Phase 2 Flowchart.....	78
Figure 13 Research Phase 3 Flowchart.....	79
Figure 14 Estimated Research Timeline Framework.....	80
Figure 15 SEM Model of Phase 1 – Quantitative Research Method.....	87
Figure 16 High Business Performance Chinese Corporation Group (only significant path coefficients were reported).....	89
Figure 17 Low Business Performance Chinese Corporation Group (only significant path coefficients were reported).....	90
Figure 18 High Cross-cultural Competence Chinese Corporation Group (only significant path coefficients were reported).....	91
Figure 19 Low Cross-cultural competence Chinese Corporation Group (only significant path coefficients were reported).....	92
Figure 20 Research Phase 1 Outputs	106
Figure 21 Research Phase 2 Outputs	107
Figure 22 Comparison of the important financial status of Company 1 before and after the implementation phase	160

Figure 23 Comparison of the important financial status of Company 2 before and after the implementation phase	170
Figure 24 Research Phase 3 Outputs	172



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CHAPTER 1

INTRODUCTION

1.1 Introduction

The Eastern Special Development Zone (ESDZ) of Thailand is a typical commercial zone in the Eastern part of Thailand. It is located on the Eastern coast of Thailand and spans over a total area of 13,285 km², comprising three main provinces - Chachoengsao, Chonburi, and Rayong province. The ESDZ development plans were structured under the "Thailand 4.0" development scheme in 2018 due to its high economic development potential. On January 01, 2020, the Board of Investment (BOI) of Thailand disclosed that the ESDZ had attracted US\$13.9 billion in promised Foreign Direct Investment (FDI) and international capital mobility. FDI has played a crucial fragment in globalization development and has been a keystone of business and economic growth (Liu & Dejphanomporn, 2018). The ESDZ is regarded as the future gateway hub to ASEAN, which helps accelerate future economic growth and strengthen leading industries such as Automobile, Petrol-Chemical, Electric Appliances, etc. It is also considered the best location in ASEAN at this present moment, especially for China via multi-model linkages. Therefore, the Thai government is giving its full support for developing major projects in this region. It was chosen as the geographical location for this research because 1. It attracts the most Chinese FDIs. 2. It has the latest Industrial Estates, and 3. It is the talk of the town in the year 2019 when FDIs are involved.

Foreign Direct Investment (FDI), one of our primary focuses in this research study, has played a very constructive role in globalization's development and growth. Thailand has been one of the best FDI locations for the past two decades, with its multi-linkage service hub, especially for the Chinese FDIs. According to the IMF and OECD definitions postulated in 1993 (IMF, 1993), FDI was defined as a transaction made to obtain a long-term interest by an inhabitant of one country. This description specified the direct investor's continuing obligation and critical impact level on the enterprise's management. Hence, different investors might have different motives underlying an FDI. The important reasons for an FDI can be categorized into four

types as follows: 1. Resource seeking - Most FDI attempts to seek resources at a lower cost compared to those found in their own country, 2. Market seeking - FDI attempts to secure and increase their sales growth and potential customer portfolio in an overseas market, 3. Productivity seeking - FDI attempts to enhance established resource-based or market-seeking investment to increase the typical corporate domination of geographically distributed activities and, 4. Asset seeking - FDI attempts to obtain foreign companies' assets to enhance long-term strategic objectives, international competitiveness, and sustainability (Dunning, 1993).

In recent years, increasing efforts and attention were paid to FDI issues both nationally and internationally. Many theoretical papers examine FDI's dilemmas and problems. For example, Hymer (1976) and Vernon (1992) had developed primary research on FDI's motivations since decades ago. As an important element, Economic professionals believe that FDI contributes to economic growth in all nations, particularly in developing countries like Thailand. Previous research works found complex FDI effects in the conclusion of numerous empirical studies that focused on the affiliation among FDI and economic progression and improvement. From a macro perspective, FDI is commonly considered an indicator of employment, efficiency, competitiveness, and technology spillovers. Especially in most developed countries, FDI indicates and promotes a higher Gross Domestic Product (GDP). Moreover, most of the local bank loans were substituted by the FDI as an important financing source that helps direct access to international markets and currencies (Denisia, 2010). Furthermore, there is supportive evidence that FDI endorses the competitiveness of local companies in a country. For example, Blomstrom, Robert Lipsey and Zejan (1994), Smarzyska (2002) found positive evidence in Mexico, Indonesia, and Lithuania. All these countries benefited from a spillover GDP from major FDI activities. On the other hand, exertions made by different nations in pulling in FDI are primarily due to these positive impacts of FDI movements were explored by Caves (1996). Most importantly, FDI enhances, integrates and promotes efficiency, innovation and technology transfer, administrative and managerial abilities, know-how, worldwide network systems, reduce unemployment, and leads to access to global markets (Borensztein, De Gregorio, & Lee, 1998).

Although most FDI theories have been primarily built on developed countries' investors' experience, it is essential to discuss how emerging countries like China can apply these general theories (Mengying Li, Athapol Ruangkanjanases, & Chen, 2014). At present, many Chinese companies have grown rapidly inside China and internationally. They have gradually become global players and explore international markets for their investment expansion. These Chinese companies have historically enjoyed excellent trade advantages such as a well-developed and supported market, modest cost strategy, and strong state support inside China. However, due to rapid dynamical changes inside China, many of these Chinese companies understand that it is time for them to expand their market to other parts of the world. In 2019, China's outflow investment recorded USD 117,120.00 million, accounting for 8.91% of the total global outward FDI amount (UNCTAD, 2019).

Thailand has played an essential role in the manufacturing and exporting of Chinese products to the ASEAN region in recent years, after the establishment of the China-ASEAN Free Trade Area (CAFTA). Close cultural and ethnic ties between the two countries and its strategic location in ASEAN accounted for 2.67% inward FDI value since 2015 and increased intensely to 17.71% in 2019 (BOT, 2019). Inward FDI has been an essential driver of Thai economic growth and the development of major industries. Chinese FDIs into Thailand by application investment value had a 10-fold increase from 28 billion THB in 2017 to 262 billion THB in 2019, and this has pushed China up to first place in ranking in 2019 (BOI, 2019), as shown in Figure 1. From the recent post-COVID-19 epidemic situation, Chinese FDIs would likely be one of the main Thai economic drivers as it is the major economy showing justifiable growth from the recovery circumstances. Therefore, it is necessary and beneficial for the private and government sectors in Thailand to better understand the characteristics and nature of these Chinese FDIs.



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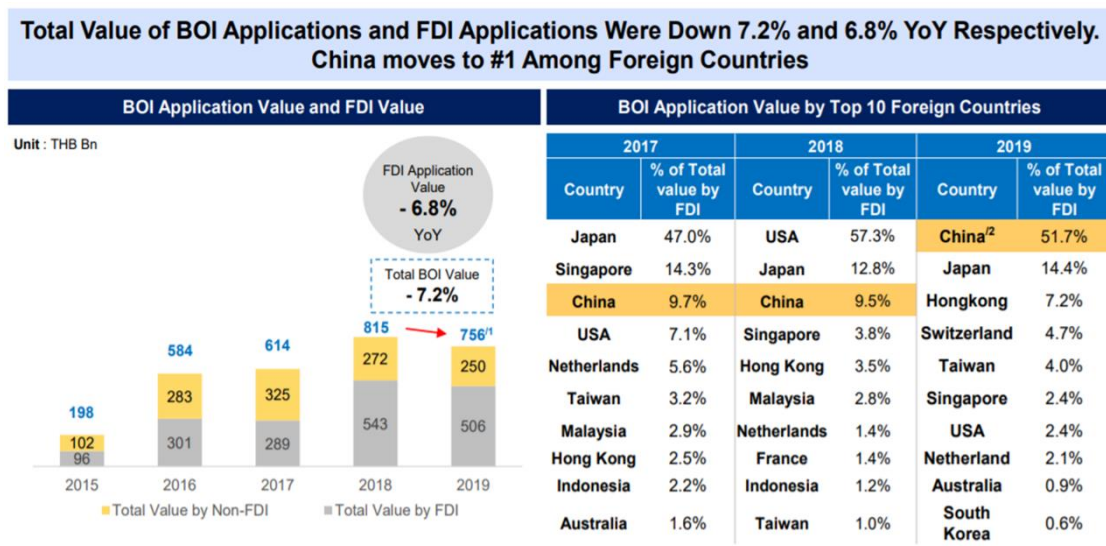


Figure 1 Total BOI Applications Value and FDI Value

The research study of Mengying Li et al. (2014) revealed that the ASEAN Economic Community regional incorporation helped generate even better business opportunities and encounters for the ASEAN countries. Therefore, there is increasing competition in ASEAN countries to attract more FDIs when they began to recognize the importance of these FDI as a source of economic growth and development for their countries. In 2019, the most attractive FDI destination in ASEAN is Singapore (\$92,080.55 million USD), Indonesia (\$23,429.03 million USD), Vietnam (\$16,120.00 million USD) and Thailand is ranked as fourth with \$4,145.67 million USD (UNCTAD, 2019). Hence, exploring these Chinese FDIs' characteristics and movement trends would give the related authorities of Thailand a better understanding. Such understanding and considerations enable the generation of a more favorable business environment for existing inflows and encourage future inward FDIs (Mengying Li et al., 2014).

Similarly, like all FDI worldwide, Chinese FDI helps increase a nation's competitiveness, enhance and stimulate the country's economy. Especially in developing countries like Thailand, governments often try to develop an approachable and beneficial investment environment to attract more inward FDIs. Capital, technology, and management expertise to finally attain higher development levels

were expected benefits that the host country receives with these inflows (Pradhan & Singh, 2009, Wu & Hsu, 2008). The benefits of FDIs frequently obtained are proper training for employees during the new business operations, contributing to human resource enhancement and profits from these FDIs usually contribute to corporate tax revenues (Loungani & Razin, 2001). In the UNCTAD World Investment Report, 2019, Thailand has ranked the top eight priority destinations for FDI during 2013-2019. Among the top FDIs in 2019 were China, Hong Kong, Singapore, Japan, and South Korea (UNCTAD, 2019).

Therefore, inward FDIs have impactive relationships for Thailand's economic growth and development, and the country is one of the best FDI destinations in its region. On the other hand, Thailand had maintained an independent and free-trade-oriented market to encourage more FDIs. Thailand has reformed many of its business regulations for FDI from 2016 to 2017, resulting in a rank increase in the World Bank's Ease of Doing Business 2019 ranking from 46th to 21st. These reforms help facilitate the processes and increase the duration of starting a business in Thailand from 27.5 days to 4.5 days (Wu & Hsu, 2008). They also mentioned that borrowers' and creditors' rights had been strengthened, and the land administration system enhances better benefits for these FDI. Moreover, the related authorities in Thailand have taken effective and efficient policies to clarify corporate governance, proprietorship of foreign corporations, and controlled structures by approving more lenient legislation on foreign corporations' registrations.

After the fallback in the 1997 Asian financial crisis, many economics professionals, research foundations, and related authorities in Thailand have complained that they need to boost and improve various segments, including the value chain, creative innovation, and higher goods and services quality. Thailand has made considerable progress in the directions mentioned above. However, Thailand could still enforce a renewed focus on transition-related to new expertise and creative innovation in doing business. To upgrade from the middle-income society in which Thailand has long been delayed, many Thai companies, especially the small and middle companies (SME), have evolved. Such changes required enhancing human resources, promoting research and development (R&D), exerting in automating



manufacturing processes, implementing digitalization and customization, striving for sustainable innovations. Severe exertions are essential to rush ahead of neighboring countries in this region and pull alongside industrialized countries such as Malaysia, Vietnam, and Singapore. At that point in time, it is privileged that the country's policymakers were able to identify and distinguish the need to drive the country ahead into what they called "The Fourth Industrial Revolution" or "Industry 4.0". To that conclusion, they have formulated "Thailand 4.0", an integrated economic model based on creativity, innovation, advanced services, and the latest technology. The main objective of "Thailand 4.0" is to adjust and alter the country's economic model into a value-based economy by restructuring its existing major industry clusters (i.e., agriculture and biotechnology, smart electronics, next-generation automotive, food for the future, affluent medical and wellness tourism) and encourage future investments in the new S-Curve industry sectors such as comprehensive medical industry, robotics industry, digital industry, aviation and logistics, biofuels and biochemical (Developing the Country toward "Thailand 4.0", 2017).

The Eastern Special Development Zone (ESDZ), acting as a future economic hub, attracts more FDIs worldwide, specifically Chinese FDIs, as mentioned in the previous section. The Chinese government launched the "One Belt, One Road" economic development scheme in 2013. This magnificent event has encouraged and urged many Chinese corporations to expand their business to other world regions. These Chinese corporations accounted for almost 60% of all FDI companies in 2020, fetch huge capital funds into the country, and significantly impact Thailand's economy. These increasing Chinese FDIs positively affect Thailand's economic growth, provided that they are progressing and sustainable. Conversely, if these companies fail, adverse effects may cause serious problems for the Thai society. (Albulescu & Tămășilă, 2014, Asma S. & F., 2009). Therefore, what we were concerned about and interested were as follows: 1. What are the dynamic capacities of these Chinese FDIs? Can they survive in a new environment (Environmental Dimensions)? 2. What types of business strategies high-performance Chinese FDIs use to obtain sustainable growth (Business Strategy Emphasis)? 3. There is a noticeable culture gap between the two cultures. Is cross-cultural competence an



essential factor or barrier for these Chinese FDIs (Cross-Cultural Competence)? 4. Can an effective Business Model Innovation (BMI) process help these Chinese FDIs become more competitive (BMI)? These questions were the main concerns of this research study.

Furthermore, from intensive literature reviews, we found more research gaps concerning the important dimensions already mentioned. We discovered that previous research in this field neglects cross-cultural competence and environmental dimensions. In simpler words, there is very little research focusing precisely on these two aspects in the past, especially in Thailand. Neglecting of cross-cultural competence and environmental dimensions is astonishing because these are important dimensions that affect the major strategic management models (Ward, Duray, Leong, & Sum, 1995, Ivančić, Ivan Mencer, Lara Jelenc, & Dulčić, 2017, Yari, Lankut, Alon, & Richter, 2020). Existing literature that shows research gaps related to relationships among cross-cultural competence, business strategy emphasis, and environmental dimensions that directly affect the business performance of FDIs are scarce (Søderberg & Holden, 2002). Published articles available concerning BM and BMI are very limited with applications by authors from diverse areas, which has led to a previously very diverse comprehension of the concept (Spieth et al., 2014, Foss & Saebi, 2017). Accordingly, we had structured our research objectives to focus on crucial indicators, namely cross-cultural competence, business strategy emphasis, and environmental dimensions (Schneider & Spieth, 2013).

After we illustrated the research problems and research gaps as above, we explored and reviewed previous research for fundamental theories that support the theoretical framework of this research. Firstly, numerous definitions explain the concept 'strategic planning' or 'business strategy' as specified in this research study. Nevertheless, the direct and indirect impacts that business strategy and other impactive factors have on business performance remain unresolved (Al-Shammari & Hussein, 2007, Al - Shaikh, 2001), with very scarce related researches, especially in Thailand. Previous research also resulted in inconclusive findings concerning methodological shortcomings. Most studies were too intensive on 1. The direct effects of business strategy independently on business performance, 2. The operationalization

struggles of business strategy, and 3. Studies being limited to financial measures (e.g., Greenley, 1994, Rudd, Greenley, Beatson, & Lings, 2008, Phillips & Moutinho, 2014). Despite the fact, Chaib Lababidi, Colak, and Dayan (2020), on the other hand, claimed that business strategy itself does not impact business performance. Instead, they found that the individual and instantaneous suitability of the business strategy process, the related factors of the structure of a company, and the dynamism of the environment dimensions are impactful. Nonetheless, the reasons for inconclusive findings and despite all of its valuation questions, researches related to business strategy are still very popular in practice (Wolf & Floyd, 2013) and academia (Phillips & Moutinho, 2014).

Correspondingly, we had found that most previous studies focused mainly on strategic planning's direct effects on business performance, strategic planning, and conflicts relating to operation management; others were restricted strictly to economic and monetary issues. (Greenley, 1994, Rudd, Greenley, Beatson, & Lings, 2008, Phillips & Moutinho, 2014). Another apparent limitation of previous researches was that several studies adopted the contingency theory to investigate the strategy–performance relationship rather than the business strategy planning–performance relationship (Chaib Lababidi, Lababidi, Colak, & Dayan, 2020). More research studies are related to organizational structure and its environmental dimensions (e.g., Nandakumar, Ghobadian, & O'Regan, 2010) or between business strategy emphasis and its environmental dimensions. These indicators were proven to have a similar influence on business performance (Nandakumar et al., 2010, Davies & Walters, 2004, Pertusa-Ortega et al., 2010).

A strategy defines a company's goals and determines what corporates wish to achieve and how these objectives can be achieved in the long run (Tracy, 2015). Many previous studies were conducted and supported the relationship between business strategy and business performance (Singla and George, 2013, McManus, 2013, Chen and Tan, 2013, Li and Tan, 2013, Kalkan, Bozkurt, & Arman, 2014, Karabag and Berggren, 2014, Macinati and Pessina, 2014, Su, Baird and Schoch, 2015, Turner, Way, Hodari, and Witteman, 2017). Moreover, a commitment to strategy execution in a balancing way was usually influenced by strategic planning,

which in turn increases business performance (Kohtamäki, Kraus, Mäkelä, & Rönkkö, 2012). Further, the business strategy is a business decision-making process that improves its products and services to maintain its competitive position in a particular industry or market segment (Campbell, Edgar, & Stonehouse, 2011). Therefore, a business strategy can be unwritten as the decisions made on business procedures that help top management accomplish their business objectives. Consequently, a business strategy was implemented on business operations to increase competitiveness and acquire the desired ends of the business (e.g., Miles and Snow 1978's strategic types, Porter 1980's set of generic strategies, Miller 1990's high-performance gestalts 1990, and Treacy and Wiersema 1995's three strategic types). In this research study, the business strategy variable comprised of four indicators in line with previous research (Badri, Davis, & Davis, 2000, Crowe & Nuño, 1991, Swamidass & Newell, 1987, Ward & Duray, 2000, Ward, Duray, Leong, & Sum, 1995) namely, cost, quality, flexibility, and delivery strategy emphases. Accordingly, we had proposed the following four observable variables indexed business strategy emphasis in this research study – 1. Low-Cost Strategy Emphasis, 2. Quality Strategy Emphasis, 3. Flexibility Strategy Emphasis, and 4. Delivery Performance Strategy Emphasis.

Secondly, in recent years, Bernardo and Presbitero (2017) and Li, Mobley and Kelly (2016) reviewed that cultural competence in individuals' abilities became very common as we are more connected globally. Formally, in different disciplines, such as psychology (Chiu, Lonner, Matsumoto, & Ward, 2013, Matsumoto & Hwang, 2013) and international business (Johnson, Lenartowicz, & Apud, 2006), it is pronounced as cross-cultural competence. Many researchers developed several constructs to understand cross-cultural competence in their previous work better. Nevertheless, each contained discrete components, resulting in no commonly accepted representations (Leung, Ang, & Tan, 2014; Leung, Lee, & Chiu, 2013). Previous studies also emphasized "meta-cognitive" ability called reflective awareness (Chao, Okazaki, & Hong, 2011), which involved thinking, concerning, and reflecting on one's mental processes. It connects cultural influences and individuals' capability and adaptivity to other cultural surroundings (Hansen, Pepitone-Arreola-Rockwell, & Greene, 2000). On the other hand, cross-cultural management prophesies cross-



cultural competence to be a crucial topic that can affect business strategies. Koning's findings (2007) posited that cross-cultural values could influence one's business behavior, together with some other research works that conveyed similar results (Lu & Hao, 2013, Park & Kim, 2014).

Numerous studies also suggested that organizational culture significantly influenced business performance (Ahmed, 2012, Khan, Wafa, Ali Hassan, & Kashif, 2020, Sokro, 2012). In contrast, other research findings posited that business performance was strongly related to innovative, adaptive, and organizational culture, which serves as a competitive advantage (Nazir & Lone, 2008, Rose, Kumar, Abdullah, & Ling, 2008). Besides, many international organizations have a solid organizational culture to serve as a guideline for their employees. These corporate cultures act as an integration of internal processes to respond to external environmental dimensions (Abdul Rashid, Sambasivan, & Johari, 2003, Gina, Coetzee, & Delene, 2007, Ojo, 2010, Sokro, 2012, Willcoxson & Millett, 2000). According to Chiu and Shi (2019), their previous works conceptualized cross-cultural competence as a set of features that comprised a particular individual's personal qualities and characteristics. At the same time, they perceived cross-cultural competence as expertise that implies learning proficiency, application, and creation of cross-cultural knowledge (Chiu & Shi, 2019). Nevertheless, researchers from various studies still debate cross-cultural competence's main components (Everaert et al., 2019, Deardorff, 2006, Dinges and Baldwin, 1996). Accordingly, we had proposed the following nine observable variables indexed cross-cultural competence in this research study – 1. Power Distance, 2. Individualism versus Collectivism, 3. Uncertainty Avoidance, 4. Masculinity versus Femininity, 5. Short-term versus Long-term Orientation, 6. Indulgence versus Restraint, 7. Cognitive Cultural Intelligence, 8. Physical Cultural Intelligence, and 9. Emotional Cultural Intelligence.

Thirdly, from the many definitions of environmental dimensions, we agreed that environmental dimensions were defined as external forces and influential factors that are beyond corporate control and may influence business operations and performance (Blurtit, 2013, Fernando, 2011). These external factors usually comprise important elements such as customers and suppliers, competitors, supply chain,

government and society, political, technology, and other stakeholders (Contractor, Dangol, Nuruzzaman, & Raghunath, 2020, Kennerley & Neely, 2003). Kinnu (2014) stated that environmental dimensions exerted pressure on corporations and inspired different organization responses. Hence, organizations tend to make recent changes and adapt to the environmental dimensions for business performance and sustainability (Njoroge J. K., Ongeti W. J., Kinuu D., & Kasomi, 2016). The effects of environmental dimensions on entrepreneurial activities were also significant, with substantial evidence suggesting that companies' business operations and performance were affected. (Gnyawali & Fogel, 1994, Vuckovic, Bobek, Maček, Skoko, & Horvat, 2020). Subsequently, we also found emphases on the moderating effect of environmental dimensions in several previous research works. For example, Gogokhia and Berulava (2020), Westerberg, Singh, and Häckner (1997) focused particularly on the moderating effect of environmental dimensions on the relationship between business strategies and performances.

On the other hand, the strong relationships between environmental dynamism and operation strategy choice were evident (Ward et al., 1995). A theoretical model of the relationship between environmental dimensions, competitive and operations strategies, and business performance was developed and supported in Ward & Duray's (2000) research works. Furthermore, we reviewed that leading companies worldwide that operate in different environmental dimensions could transform the business environment to implement strategic decisions (Chi, Kilduff Peter, & Gargeya Vidyaranya, 2009). Contraversly, Sharfman and Dean (1991) posited that complexity, dynamism, and resource availability are compositions of the main characteristics of environmental dimensions. In the research work of Li and Liu (2014), they found that dynamic capabilities affect the competitive advantage of a company, and environmental dynamism has a direct impact and not just a moderator. They had similar findings with other research that a company's dynamic capabilities, which are closely related to innovative sustainable competitive advantages development, are evolving as an essential source of sustainable competitive advantage. (Zahra & George, 2017, Zott, 2003, Jantunen, Puumalainen, Saarenketo, and Kyläheiko, 2005, Wu, Lin, and Hsu 2007).



Besides, Zollo and Winter (2002) and Winter (2003) discriminated sustainable competitive advantages (including business strategy emphasis) from dynamic capabilities. They argued that sustainable competitive advantages were measured at a present stage. In contrast, dynamic capabilities reconfigure sustainable competitive advantages at this current stage to adapt to the environment dynamism in the long run. Hence, companies that achieve knowledge from the dramatic changing environment, who can adjust and integrate their sustainable competitive advantages and make changes internally and respond efficiently and effectively to new market demands, will eventually overcome the vigorous environmental dynamism (Teece, 2007). Therefore, companies searching for success in a competitive market must practice superior business strategies that outfit the environmental dimensions they operate in (Hayes & Wheelwright, 1984, Skinner, 1969). The relationship between environmental influences and manufacturing strategy was evidenced in the work of Swamidass and Newell (1987) and Ward et al. (1995). They acknowledged significant and positive relationships between environmental dynamism and operation strategy selections. In later studies, Ward and Duray (2000) developed a conceptual model to link environmental dimensions, business strategies, and business performance.

Some other scholars conducted similar studies among developing countries such as Ghana (Amoako-Gyampah & Boye, 2001) and the United Arab Emirates (Badri, Davis, & Davis, 2000) to identify environmental factors which may influence operation strategy choices made by manufacturing companies. Of course, with more business environment literature and research in this field, the importance of internal factors has been discussed further. These included organizational resources, technological capabilities, financial and marketing capabilities, and other functional factors of an organization (Vokoun & Daza Aramayo, 2017). Accordingly, we had proposed the following four observable variables indexed ESDZ environmental dimensions in this research study – 1. Business Costs, 2. Local Labor Availability, 3. Competitive Hostility, and 4. ESDZ Dynamism in the ESDZ of Thailand.

In the last few years, Thailand has been confronted with substantial growth in inward FDI. This increasing growth has emphasized understanding the empirical elements and the associations between a country's development and its inward FDI

flows for both scholars and researchers. The latest trend on examining environmental dimensions, business strategy emphasis, cross-cultural competence, and innovation of business models have also emerged, especially among the Southeast Asia countries such as Singapore, Malaysia, the Philippines, and China. However, recent researches on these fields are still extraordinarily diverse and scarce (Foss & Saebi, 2017). At the meant time, in many recent macro-management research, business model (BM) and BMI concepts have become more and more influential (Spieth, Schneckenberg, & Ricart, 2014, Zott, Amit, & Massa, 2011). We reviewed recent BM literature and found highlights on the usefulness of the BM construct in research studies on 1. E-commerce, strategy, and technology management (cf. Zott et al., 2011), 2. In different theories usage (cf. George & Bock, 2011), and 3. The development of the term business model itself (cf. Wirtz, Pistoia, Ullrich, & Gottel, 2016). Such reviews on previous works also illustrated an apparent definitional convergence. These many contributions to the literature of this field now value the business model's notion as the "design of value creation, delivery, and capture mechanisms" of an enterprise (Teece, 2010).

In contrast, BMI can be considered the latest revolution that "complements the traditional subjects of process, product, and organizational development" (Zott et al., 2011), but not as well understood as BM literature. Nevertheless, its rapid growth and expansion proved that BMI is a significant phenomenon that needs to be conceptualized and theorized independently. Both BM and BMI researches introduced the additional dimensions of innovation and raised various important theoretical and empirical questions. For example, what type of new drivers, facilitators, and deterrents of the invention of a BM are evolved? Under what type of circumstances would BMI enhance sustainable competitive advantage? Can BMI development initiate in both the upper levels and lower levels of an organization? Such fundamental questions are not being analytically dealt with, discussed, and answered currently, which reflected the developing stage nature of BMI research. Moreover, BMI reviews are diverse and scarce (e.g., Schneider & Spieth, 2013, Spieth et al., 2014), and systematic discussions or the challenges of the phenomenon that it represents are not available for research, especially in Thailand. This situation had led

to an obligation of a more comprehensive review and assessment of the BMI literature. While this increases the acceptance of the fast-growing academic and corporate interest in the field, it also reflects the necessity for additional BMI conceptual and empirical research to understand the phenomenon better.

Finally, previous researches also suggested the relationships among environmental dimensions, business strategies emphases, and business performances (Badri et al., 2000, Crowe & Nuño, 1991, Swamidass & Newell, 1987, Ward & Duray, 2000, Ward et al., 1995). Moreover, relationships among cross-cultural competence, environmental dimensions, and business performances were evident (Cynthia, 2014, Hofstede, 2011). Additional studies related to the contribution of business strategy and organization marketing features to the success of different strategy types by Walker and Ruekert (1987). For example, Matsuno and Mentzer (2000) explored the relationship between market positioning and business performance in different business strategy types. McKee, Varadarajan, and Pride (1989) and Slater and Olson (2001) investigated the relationship between marketing strategy and business performance. While Slater, Olson, and Hult (2006) and Vorhies & Morgan (2003) studied the relationship between the marketing process network and business performance. Previous researches also suggested the relationships among business environment, business strategies emphases, and business performances (Badri, Davis, & Davis, 2000, Crowe & Nuño, 1991, Swamidass & Newell, 1987, Ward & Duray, 2000, Ward, Duray, Leong, & Sum, 1995). Relationships among cross-cultural competence, business environment, and business performances were also evidenced (Cynthia, 2014, Geert Hofstede, 2011). Nonetheless, as we have mentioned in the previous sections, research addressing crucial factors, namely business strategy emphasis, cross-cultural competence, and environmental dimensions directly affecting FDI corporations' business performance, is very scarce, especially in Thailand. Nonetheless, extant literature shows research gaps related to relationships among cross-cultural competence, business strategy emphasis, and environmental dimensions directly affect the business performance of FDI corporations are scarce. Unlike other previous empirical studies, this research study differentiated by making essential contributions to the related fields. Therefore, drawing on past research

studies' reviewed literature and findings, we developed and tested a model. We proposed that environmental dimensions, cross-cultural competence, and business strategy emphasis are key factors that will affect the performance of Chinese corporations in the ESDZ of Thailand.

Accordingly, while the necessities and the whys and wherefores of performing this research study were explained, we would like to finalize the following propositions for this research study. First, this research study aimed to explore the causal relationships of the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and the impact of these factors on these Chinese corporations' business performance in the ESDZ of Thailand using Structural Equation Modeling (SEM). Second, to explore the business strategy emphasis used by these Chinese corporations in the ESDZ of Thailand, and specifically the business strategy emphasis used by these Chinese corporations between high and low business performance groups and high and low cross-cultural competence groups under the same perceived environmental dimensions. Third, to develop an integrated BMI process using analytical data results from both research methods (Quantitative: Questionnaire Survey and Qualitative: Focus Group Discussion) in the first phase of this research study (The ESDZ Business Model Innovation Process). Finally, to compare and demonstrate that the ESDZ Business Model Innovation Process (EBMIP) is compatible with the Cambridge Business Model Innovation Process (CBMIP) and its implementation can help moderate the Chinese corporation participant's business performance.

This research study distinguishes from previous studies in the following several different ways: 1. Industry coverage of the research samples was specifically clusterized according to the "Thailand 4.0 New S-Curve", 2. The conceptualized model included important factors, namely, the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, which are formally not completely included in any context of past researches, 3. The geographic location was distinguished explicitly by focusing on the ESDZ of Thailand, and 4. The business performance measurements of the participants were computed using real financial statements submitted annually to the Ministry of Commerce of Thailand. From this

point, we would continue to present the research objectives, research questions, research hypothesis, research study scope, theoretical framework, the conceptual framework, expected results, the definitions of important keywords, and the organization for the remainder of this research study.

1.2 Research Objectives

Our research objectives explained what we were attempting to accomplish in this research study. From the research problems and research gaps mentioned above, we had proposed the following objectives for this research study:

Research Objective 1 - To explore the causal relationships of the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and the impact of these factors on Chinese corporations' business performance in the ESDZ of Thailand.

Research Objective 2 - To explore different business strategy emphasis used by Chinese corporations in the ESDZ of Thailand among - 1. High and low business performance groups, and 2. High and low cross-cultural competence groups under the same perceived environmental dimensions.

Research Objective 3 - To develop an integrated BMI process (The ESDZ Business Model Innovation Process) using analytical data results from both research methods (Quantitative: Questionnaire Survey and Qualitative: Focus Group Discussion) in the first phase of this research study.

Research Objective 4 - To compare and demonstrate that the ESDZ Business Model Innovation Process (EBMIP) is compatible with the Cambridge Business Model Innovation Process (CBMIP), and its implementation can help moderate the Chinese corporation participant's business performance.

1.3 Research Questions

A research question is a question that a research study intended to answer related to the important context of the research study. In this research study, we have proposed a total of four research questions as follows:

Research Question 1 – What are the causal relationships between the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and the Chinese corporations' business performance in the ESDZ of Thailand?

Research Question 2 - What are the different business strategy emphasis used by Chinese corporations in the ESDZ of Thailand among 1. high and low business performance groups and 2. high and low business cross-cultural competence groups under the same perceived environmental dimensions? Do both 1. high and low business performance groups and 2. high and low business cross-cultural competence groups use different business strategy emphasis under the same perceived environmental dimensions?

Research Question 3 – Are the analytical data results from both research methods (Quantitative: Questionnaire Survey and Qualitative: Focus Group Discussion) adequate to develop the ESDZ Business Model Innovation Process (EBMIP) in the second phase of this research study?

Research Question 4 - Does the ESDZ Business Model Innovation Process (EBMIP) differ from the Cambridge Business Model Innovation Process (CBMIP)? Does the implementation of these BMI processes help moderate the business performance of the Chinese corporation participant?

1.4 Research Hypothesis

"A hypothesis can be definite as a tentative clarification of the research problem, a conceivable outcome of the research, or a cultivated guess about the research outcomes" (Sarantakos, 1993). After presenting the research objectives and



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research questions in the previous sessions, we would like to propose three research hypotheses for this research study as follows:

Research Hypothesis 1 – There are causal relationships between the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and the Chinese corporations' business performance in the ESDZ of Thailand.

Research Hypothesis 2.1 - High and low business performance groups use different business strategy emphasis under the same perceived environmental dimensions.

Research Hypothesis 2.2 – High and low cross-cultural competence groups use different business strategy emphasis under the same perceived environmental dimensions.

1.5 Scope of Research

We would continue into the scope of this research study. The scope of a research study means everything that would be covered in a research study. For this, we clearly defined the extent of content to obtain a more logical conclusion, to give conclusive and satisfactory answers to the research study. The major scope of the content of this research study was presented as follows:

1. Scope of Related Literature Review: We reviewed books, research articles, academic articles, and other related documents available over the past ten years in both printed and electronic media by using the Narrative Review (Bryman, 2008).

2. Scope of the Business Performance Assessment: The Chinese corporations' business performance will be answered in questionnaire surveys with reference from actual financial statements used to submit to the Ministry of Commerce, Thailand.



3. Scope of the ESDZ Statistics Review: We reviewed statistical data of the ESDZ collected by various government organizations. These include the BOI, Development of Business Department of Thailand (DBD), Office of the National Economic and Social Development Board (NESDB), Bank of Thailand (BOT), etc.

4. Scope of the Population Group: The main focus of the population group is on Chinese corporations that are located in the ESDZ of Thailand. Participants for the first phase of this research will be chosen using the random sampling method for the questionnaire surveys and the purposive sampling method for the online focus group discussion participants. For the final phase, two Chinese corporations will be selected using purposive sampling methods to participate in both business model innovation processes.

5. Scope of Geography Study: The main scope of the geographical study will be the ESDZ of Thailand, which comprises the following three main provinces: Chonburi, Rayong, and Chachoengsao. Detailed information on these three provinces involved in this research study was illustrated in the second chapter of this research study. Statistical data on these provinces were collected from available secondary sources.

1.6 Theoretical Framework

Before considering and working to generate our theoretical framework and derive our hypotheses, we began with a thorough review of previous research explicitly related to business strategy emphasis, cross-cultural competence, and environmental dimensions as drivers of a company's business performance. Figure 1-2 showed the theoretical framework with causations based on proven theories from literature reviews done in the past six months. We initiated this research study's theoretical framework by exploring literature reviews from past scholarly articles over the past ten years.

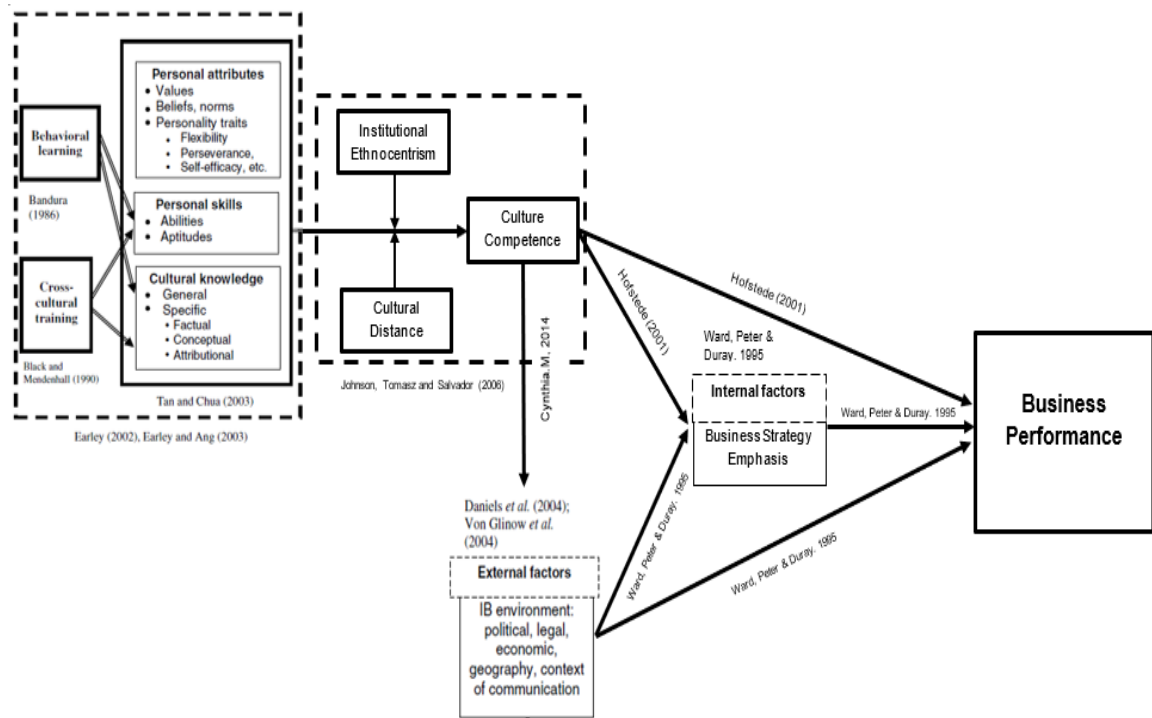


Figure 2 Theoretical Framework

These reviews of critical theories related to this research study are discussed individually in the previous sections, and we will follow these guides strictly throughout this research study. Let us continue into the next section for the conceptual framework of this research.

1.7 Conceptual Framework

The conceptual framework of this research study was shown in Figure 3. There are four latent variables: ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and the Chinese corporations' business performance in the ESDZ of Thailand.

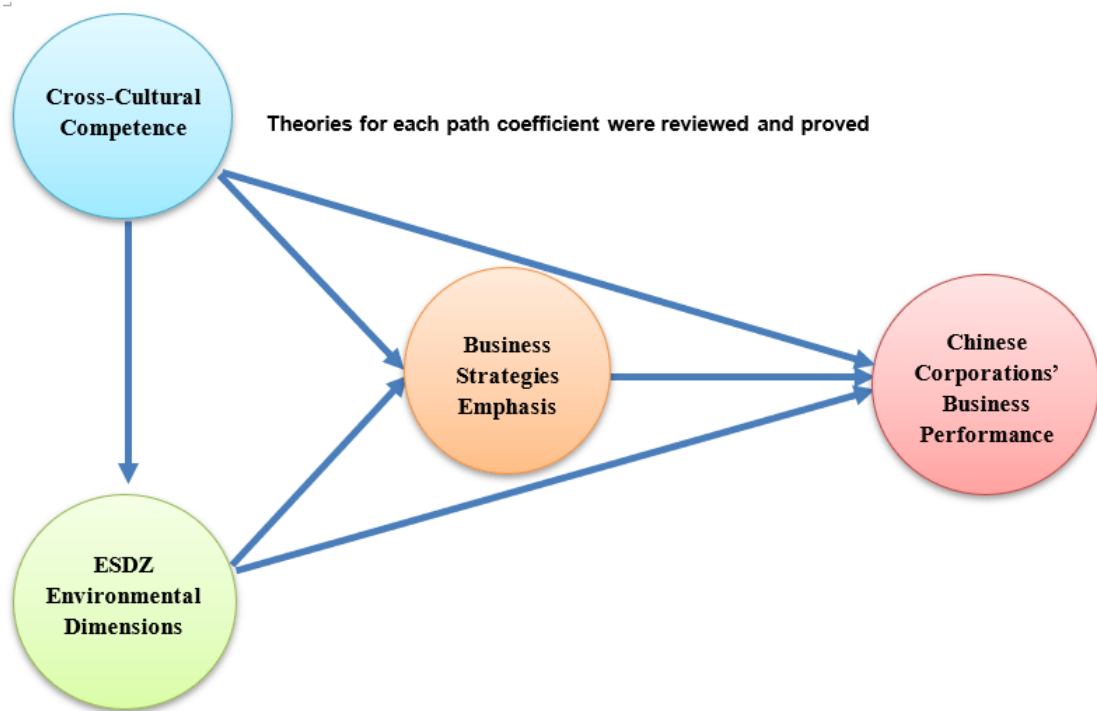


Figure 3 Conceptual Framework

Figure 4 illustrated the structure of all the latent and observable variables proposed in this research study. First, we characterized the ESDZ environmental dimensions using four observable variables outside of its management's short-run control. These are 1. Business Costs, 2. Local Labor Availability, 3. Competitive Hostility, and 4. ESDZ Dynamism in the ESDZ of Thailand. Second, the Chinese corporations' business strategy emphasis was characterized by four observable variables too. They are 1. Low-Cost Strategy Emphasis, 2. Quality Strategy Emphasis, 3. Flexibility Strategy Emphasis, And 4. Delivery Performance Strategy Emphasis. Third, cross-cultural competence defined in this research study focuses mainly on understanding the host country's culture and directly associated with the management level's cross-cultural competence to execute positive actions when faced with difficult situations. Cross-cultural competence in this research study comprised six culture-associated observable variables shown in Figure 4. They are 1. Power Distance, 2. Individualism versus Collectivism, 3. Uncertainty Avoidance, 4. Masculinity versus Femininity, 5. Short Term versus Long Term Orientation, and 6. Indulgence versus Restraint. We also included three culture intelligence-associated observable variables,

namely, 1. Cognitive Cultural Intelligence, 2. Physical Cultural Intelligence, and 3. Emotional Cultural Intelligence. Lastly, the latent variable business performance comprised four main financial ratios as follows - 1. Profitability Ratio, 2. Liquidity Ratio, 3. Efficiency Ratio, and 4. Growth Ratio.

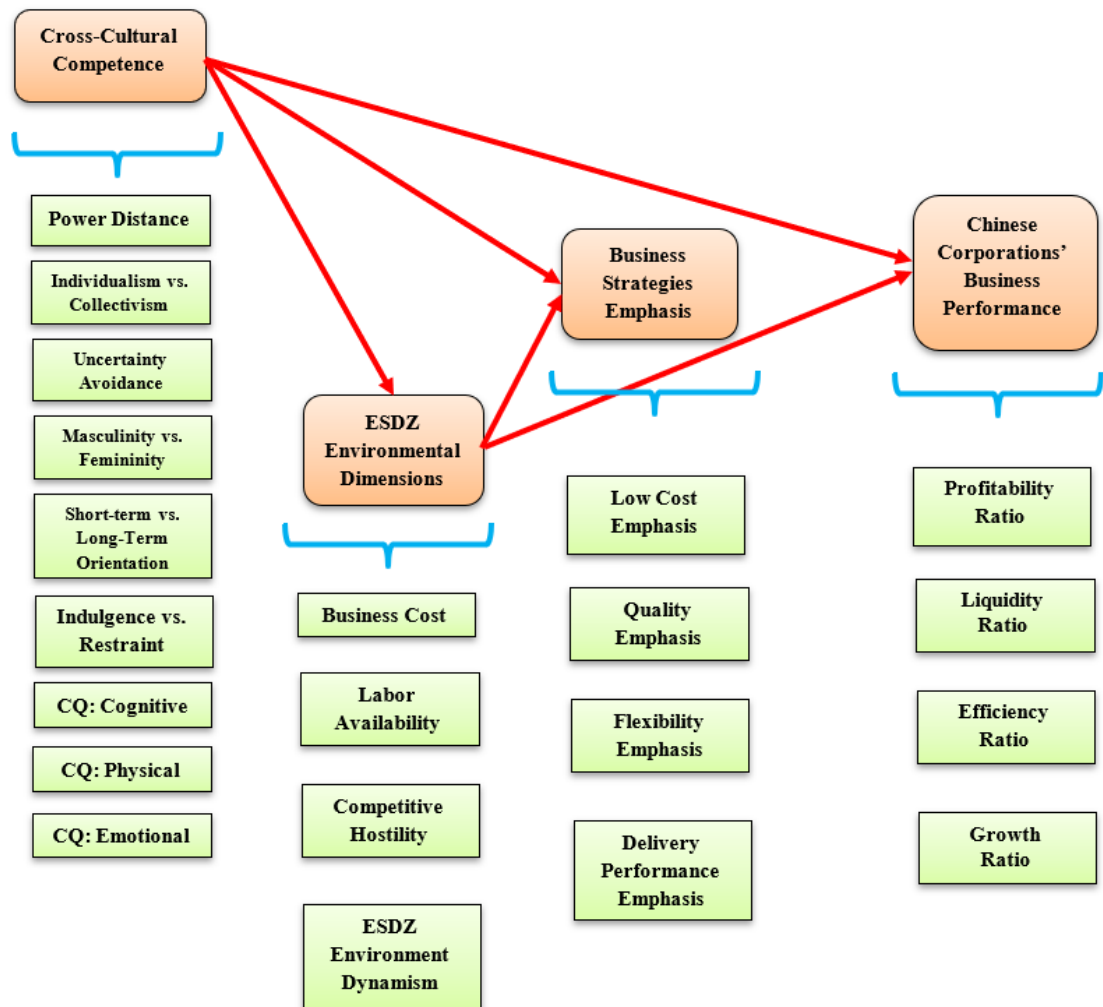


Figure 4 Latent and Observable Variables Chart

1.8 Definitions of Key Words

We had defined the operational definition of various terms used in this research study, presented in the following section in alphabetical order.

Business Model - A business model explains the reasoning, information, and recommendation of a business presented for customers and a practical structure of incomes and operating costs (Teece, 2010). We define a business model as a design

for successful business operations, distinguishing income sources, client base, and financing fundamentals. A business model could be a conceptual structure supporting a business's practicality, counting its reasons, objectives, and continuous plans to accomplish them. A business model specifies how a company fulfills its purpose in its least complex shapes.

Business Model Innovation - A business model innovation is a reiterative and hypothetically circular process (Martin Geissdoerfer et al., 2017) that has evolved as an important activity to reflect modern trade techniques exploring how a company works towards its objectives. It is a process of integrating and enhancing a company's value proposition to its customers, competitive advantages, additional value creations, and modifying its original business operating model.

Business Model Innovation Process – A business model innovation process is structured, systematic procedures, which allow for flexibility during the development of a business model, comprised iterative stages, experimentation, and learning, testing with end-users, prototyping, and ideation. It further requires integrating stakeholders and customers in the integration process (Hunke, Seebacher, Schüritz, & Illi, 2017). A business model innovation process is also defined as an ongoing process that finally transformed the underlying business model (Mitchell and Bruckner Coles, 2004).

Business Performance - Business performance management involves revising business performance as a whole, usually in financial and non-financial prospects. It evaluates both the effectiveness and efficiency of the business activities (Neely, Gregory, & Platts, 1995) or as the preparation that gives criticism to representatives on the results of such activities (Bititci, S. Carrie, & McDevitt, 1997). In simpler words, business performance refers to the degree to which financial and non-financial objectives are fulfilled. Therefore, it measures a company's policies and operation activities in monetary and non-monetary terms.

Business Strategy - A business strategy is defined as a decision-making process to obtain sustainability and competitive advantages in a specific market

(Edgar, Campbell, & Stonehouse, 2011). Hence, a business strategy is considered the activities or choices made by top management to achieve the company's goals. A business strategy could be planned activities that companies execute to attract their customers, compete effectively, strengthen performance, and achieve overall goals.

Cross-Cultural Competence – Cross-cultural competence is defined as the contrast assessment of different cultures. Cross-cultural competence can be theorized both as a set of possessions (individual qualities characteristic of particular people) or as a kind of skill (level of capability within the learning, application, and creation of cross - cultural information) (Chiu & Shi, 2019). In simple terms, culture denotes commonly shared values. Kuper's (1999) idea about culture is that "It is a matter of ideas and values, a collective cast of minds." Hofstede (1984) and Hofstede and Bond (1988) had made an attempt to characterize culture based on uncertainty avoidance, power distance, individualism, masculinity versus femininity, short-term versus long-term orientation, and indulgence versus restrain. However, despite decades of research work done, the fundamentals of cross-cultural competence have yet to come to a conclusion (Deardorff, 2006, Dinges & Baldwin, 1996).

Eastern Special Development Zone - The Eastern Special Development Zone (ESDZ) is a special economic zone in the Eastern part of Thailand, comprised of three main provinces: Chonburi, Chachoengsao, and Rayong, over a total area of 13,285 km². The ESDZ development plans were structured under the "Thailand 4.0" development scheme in 2018 due to its high economic development potential. On January 01, 2020, the Board of Investment of Thailand disclosed that the ESDZ had attracted US\$13.9 billion in promised Foreign Direct Investment (FDI) and international capital mobility. With Thailand's merit as one of the finest leading destinations for FDI since the past two decades, FDI in the ESDZ is considered a valuable element in Thailand's economic growth and development (UNCTAD, 2019).

Environmental Dimensions - Several definitions of sustainable development's environmental dimensions exist, but they are usually quite vague and global. Besides, most environmental dimension assessments do not consider the variety of environmental impacts properly or use tools that do not represent the

impacts (Joumard, 2009). Generally, the dimensions or the factors instituting the business environment include political, social, technological, legal, and economic factors vital for business operations and decision-making, especially for a newly established international organization in a foreign country.

Foreign Direct Investment (FDI) – According to the IMF and OECD definitions, a direct investment imitates an investment made by a resident entity of one economy or country (direct investor) in a company that is resident in another economy or country (the direct investment enterprise) (IMF, 1993). The definition indicates the direct investor's long-term commitment and significant influence level on the company's management. The ownership of 10% or more of a company's capital or shares can be defined as a direct investor (OECD, 2008).

1.9 Organization for Remainder of Study

This research study is a five-chapter dissertation exploring the causal relationships of crucial factors affecting the Chinese corporations' business performance in the ESDZ of Thailand by implementing quantitative and qualitative research methods in the first phase. We then developed a business model innovation process using the important indicators in the first phase. Finally, we performed a pilot case study to compare the two Business Model Innovation Processes (ESDZ Business Model Innovation Process and CBMIP). The remaining four chapters organize the literature, methodology, results findings, and conclusion and discussion in the following order:

Chapter 2 - Literature Review. A critical review of the literature that supports the research questions. A thorough examination of the theories associated with the research topic. A conclusive description of other academic research that influenced the investigation. A synthesis of the results of other studies that were linked to the topic and research questions.

Chapter 3 - Methodology. An outline of the research design, procedures, and methodology that included the approach, philosophical traditions, and assumptions,

analysis of research questions data sources, sample and sample size, sampling strategy, recruitment and participation process, participant permissions, setting, instruments, and measures, data collection, primary and secondary data, data analysis, dependability, credibility, validity and reliability, and ethical considerations.

Chapter 4 - Research Findings. An overview of the research findings and the triangulated data from Chapter 3 includes data collection results, data sources, data analysis and results, themes, and conclusions.

Chapter 5 - Discussion and Conclusion. The research study's discussion and conclusion include evaluating research questions, contributing to business problem solutions, fulfilling research purposes, implications, limitations, and future research recommendations.



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CHAPTER 2

LITERATURE REVIEW

Chapter 2 of this research study presented an organized literature review of previous researches, journals, and articles that captured and summarized important theories, concepts, methodologies to compose a detailed description of the content. (Transfeld, Denyer & Palminder, 2003). The transparency in analysis, evaluation, and synthesis through a systematized process allows the accumulation of insights from different fields for researchers and practitioners to learn (Schneider & Spieth, 2013). Topics, subtopics, and seminal and supporting literature are grounded in present-day business problems and opportunities. The background and the chapters of this research study were highlighted in ten key sections as follows 1. Foreign Direct Investment, 2. Environmental Dimension, 3. Business Strategy Emphasis, 4. Cross-Cultural Competence, 5. Business Model (BM), 6. BMI, 7. BMI Process, 8. The Cambridge Business Model Innovation Process, 9. The Business Canvas Model, and 10. Financial Performance. This chapter traced the theories, concepts, and definitions, which helped generate the business problem and research questions. We explained the topics and sub-topics separately to expose their content depth and reveal the interrelations.

2.1 Foreign Direct Investment (FDI)

The International Monetary Fund (IMF) and Organization for Economic Co-operation and Development (OECD) defined an FDI as a long-term relationship and a management agreement between a resident of one country (direct investor) in a company that is a resident in another country (the direct investment enterprise). (Duce, 2003). An FDI is an individual, a merged or independent private or public institution, a government institution, a group of related individuals, or a group of related incorporated and unincorporated institutions, which is a direct investment company - (OECD, 1996). OECD (1996) also recommended that a direct investment company be defined as an incorporated or unincorporated institution with a 10% or



more shares ownership by a foreigner or voting power of an incorporated institution or an unincorporated institution.

Foreign Direct Investment (FDI) is one of the most important economic stimulators for Thai economic growth and development. Researches on FDI major theories have a long-lasting history since the mid-1990s. For example, Hymer (1960) demonstrated that FDI occurs primarily in oligopolistic industries rather than in industries operating under near-perfect competition with the "Monopolistic Advantage Theory." On the other hand, the "Internalization Theory" was found by Buckley and Casson (1976), and they demonstrated that international companies manage their activities internally to develop specific competitive advantages before launching an FDI. This philosophy explained the expanding trends of international companies and the reasons for making an expansion. Dunning (1993) had placed much importance on the "Internalization Theory," which he used in his "Eclectic Theory," and claimed that the "Internalization Theory" only specified on the FDI movement trends. According to Hymer (1960), the Multinational Enterprise (MNE) had begun due to market imperfections that resulted in a change from perfect competition in the final product market.

The "Eclectic Theory," also known as the OLI Framework, established by professor Dunning, offered a general sketch to clarify FDI's production. It is a mix of three different theories of FDI (O-L-I) as follows:

1. "O" stands for the Ownership Advantages: This was defined as advantages gained from fixed assets of the company that were relocated at a lower cost and managed to obtain higher profits or lowered costs. By this means, to successfully execute an FDI in a foreign market, a company must possess certain competitive advantages to overcome operating costs. Besides, a company might have specific advantages that others do not have, leading to higher cost-effectiveness than other competitors. (Dunning, 1973, 1980, 1998).

2. "L" stands for Location: Location comprised economic, political, and social advantages. When the primary conditions of these components were satisfied, it

would be beneficial for the company to utilize them rather than offer them to others. These factors were the main factors that decide the host country for international companies.

3) "I" stands for Internalization: When the company has both ownership and location advantages, it must be beneficial to make full use of these advantages in its expansion outside the country (Dunning, 1973, 1980, 1988). The benefits offered an outline for evaluating different conducts in which the company will exhibit its powers, from its sales and services to various arrangements that might be negotiated between the companies. As FDI benefits are high, companies will want to be involved in foreign production rather than just issuing this right under licenses or franchises.

"Production Cycle Theory," established by Vernon in 1966, was used to explain U.S. FDIs in the manufacturing industry post Second World War in Western Europe. Vernon posited that the production cycle comprised four key stages: 1. Innovation, 2. Growth, 3. Maturity, and 4. Decline. We reviewed that conferring to the "Production Cycle Theory," the U.S. FDIs produced new goods for local consumption and exported excess foreign markets in stage one. In stage two, the demand for manufacturing products increased in Western Europe after the Second World War. Hence, the U.S. FDIs initiated the exports with their technological advantages over their competitors. This concept clarified the inward U.S. FDIs in Western Europe between 1950 and 1970 (Vernon, 1966).

"Theory of Exchange Rates on Imperfect Capital Markets" also helped to explicate FDIs. Initially, the perception of international business was used to study the foreign exchange risk. Itagaki (1981) and Cushman (1985) explored the uncertainty factors affecting FDIs using empirical data. Cushman (1985) demonstrated that stimulated U.S. FDIs increased parallel to real exchange rates, and a decrease in foreign currency decreased U.S. FDIs. However, this theory is unable to explain FDIs among countries using different currencies.

2.1.1 Thailand's inward FDI

From our reviews of recent studies on Thailand's inward FDI, we found that in 2008, Thanyakhan (2008) explored important factors relating to FDIs in Thailand. Initially, he investigated the factors and effects of the Asian Financial Crisis on inward FDIs, which obtained empirical results from 1980 to 2004. From these results, we had come to the following conclusions, 1. Thailand's inward FDIs were supply-driven, and investment associates have significant influence. 2. FDIs inflow factors were not affected by the Asian Financial Crisis. Correspondingly, the post-1997 Asian Financial Crisis inward FDIs factors were explored by Daly and Tosompark (2011). Their empirical investigation covered durations from 1998 to 2008, including the Global Financial Crisis period, and they found that Thailand was the least affected in this region.

From another point of view, Boonlua (2011) investigated the impact of a favorable investment environment on the decisions of FDIs to execute an investment in Thailand. In his study, he employed the "Eclectic Theory" to study the significant factors affecting the U.S. and Japanese FDIs. Results showed that significant factors found were 1. Infrastructure and political stability of the host country, 2. Market growth potential, and 3. Cultural environments. In addition, Sussangkarn and Nikomborirak (2011) explored possible external and internal diplomacies for economic structuring. They concluded that more of such diplomacies would help Thailand depend lesser on exports. These diplomacies include enhancing new technology, skills, know-how, efficiency-oriented, and industry-type innovation.

Furthermore, Sermcheep (2013) examined the trends and inferences of Thailand's inward FDIs had on the economy during 1978-2011. His results from a time-series regression model concluded that Thailand's inward FDI significantly affected Thailand's economic growth and industrial development. He also indicated that these inward FDIs had helped shape and transform the country's primary industry structure. On the other hand, Anuchitworawong and Thampanishvong (2014) investigated the effects of natural disasters as an economic factor on inward FDIs. Their results revealed that common factors such as the GDP, foreign exchange rates,



freedom of trade, and consumer price index are significant and positively affect Thailand's inward FDI. However, they also discovered that increasing natural disasters reduce the inward FDI flows. Correspondingly, Wattanadumrong, Collins, and Snell (2014) discovered that factors affecting inward FDIs that were not under control might be challenging for the host country to manipulate. Intrinsically, policies at the country level have no significant influence on inward FDIs. Instead, direct policies' responsiveness, such as tax incentives, increasing inward FDIs more effectively. Ultimately, Soontiens and Haemputchayakul (2001) revealed that the successful domestic structural reform executions, external environment dimensions, the degree of future FDI management integration, and FDI promotion restructuring are fundamental contributions to Thailand's future FDI position in the region.

From the above literature reviews on Thailand's inward FDIs, previous research had very diverse contexts, methodologies, focuses, and results. Contexts on previous research had very different emphases that led to different conclusions. Key factors used for evaluating effects on Thailand's inward FDI were inconsistent, and results were not comparable. Diverse methodologies again yielded different results, conclusions, and implications. In conclusion, we reviewed that there is no consensus among these studies on the primary factors affecting inward Thailand's inward FDIs. Apart from the present economic recovery from the COVID-19 pandemic, it is important to keep track of the pace of corporate deregulation, investment promotion, and financial restructuring. We reviewed that the following three primary factors would help regulate inward FDIs – 1. Efficiency in removing restrictions on FDIs' regulations. 2. Time reduction for state enterprise privatization and government regulatory restructuring. 3. Enhancing the present FDIs' investment promotions. However, there are considerable FDIs' investment promotions, especially for Chinese FDIs. Thailand's FDIs' administration reforms are still sluggish, and restrictions remained unresolved compared to competitors in neighboring countries like Singapore, Malaysia, and Vietnam.

2.1.2 Chinese FDIs in Thailand

Over the past decades, empirical research focusing on China's outward FDIs had increased dramatically. Wang, Mao, and Gou (2014) revealed that several previous works included valuable statistical data collections. He and Lyles (2008), for example, explored various key macroeconomic factors that affect China's outward FDIs to the United States. Huang & Wang (2011), who had introduced the "China Model," revealed that industries inside China were greatly enhanced by increasing China's outward FDIs compared to expanding productions abroad. The internal industry strengthening was a success with advanced technologies and securing a stable supply of commodities. Kolstad and Wiig (2012) explained that China's outward FDI to OECD economies tends to go to more significant markets, whereas outward FDI to non-OECD economies resulted in poor establishments. Conversely, Kang and Jiang (2012) verified influential factors that affect China's outward FDIs to the East and Southeast Asian regions. From the reviews of these researches, we found that China's outward FDIs could be characterized individually by the host country's destination and industry cluster.

More recent studies had focused on specific areas relating to China's outward FDIs, which included 1. The key macroeconomic driving factors for China's outward FDIs and its rapid growth trend from both the home and host countries' perspectives, and 2. The key microeconomic driving factors and motivations with different approaches. From an academic point of view, past researchers found that most theories' implications were related to the above issues (Liu, Buck, and Shu, 2005, Morck, Yeung, and Zhao, 2008, Tolentino, 2008). Hence, we were back to the idea of why did Chinese companies execute an FDI? In the last three decades, it was evident that FDI flows have increased dramatically worldwide (Lerche and Said, 1995). However, initially in 1978, the Chinese government did not follow the global FDI trends but restructured its internal industry and employed independence economically. This reform had strengthened the internal industry structure and enhanced the rapid growth of China's outward FDI. The United Nations (UN) had recognized five fundamental types of FDI from emerging economies, which offered us a framework to investigate China's outward FDI. According to the UN, the motives

of these China's outward FDI for emerging economies can be classified as market-seeking, export-oriented, resource-seeking, technology-seeking, and efficiency-seeking (United Nations, 1993, Wu and Sia, 2002).

Suvakunta (2010) mentioned that the Chinese government has become very supportive of the international expansion of local Chinese companies, especially state enterprises with high potential. In addition, numerous policies and regulations were developed by government institutions, such as the National Development and Reform Commission (NRDC), the Ministry of Finance, the Ministry of Commerce, and the State Administration of Foreign Exchange (SAFF), to encourage further and inspire more of these Chinese FDIs. In addition, with the implementation of the "Go-Out-Strategy" and the "One Belt One Road" economic development scheme, China's outward FDI increased even more rapidly (Suvakunta, 2010). In recent years, China's inward FDI flows to Thailand were positively affected by newly reformed economic development schemes and relationships among ASEAN countries. Consequently, as one of the best locations for FDI investments in the region, Thailand has high opportunities to be chosen as a business hub or manufacturing base. Thailand also benefits from China and ASEAN's growing economic partnership as we already established a close relationship with the Chinese. However, other neighboring countries are also working hard to attract these Chinese FDIs. These Chinese FDIs are seen as a source of inward capital flows, technology expertise which could lead to short-term extensive investment outflows. Hence, since 2017, Thailand's BOI has already started to reform restrictions and regulations to attract more of these Chinese FDIs. Besides, we expect that Thailand's economy will depend significantly on these Chinese FDIs to recover from the post-COVID-19 situations shortly as China is one of the major countries showing considerable sustainable economic recovery. Therefore, understanding the trends and characteristics of these Chinese FDI will benefit both the private and government sectors.

From the above literature reviews, we have certainly come to a clearer vision of the present situation that why these Chinese FDI are moving fast into Thailand. Issues concerning restrictions and regulations on FDIs are highly applicable, including other intangible factors such as political connections and



cultural overlaps. These beneficial settings and other interrelated factors have positioned Thailand as the best FDI location for many Chinese FDIs. At present, Chinese FDIs industries in Thailand include fabrics, latex, biochemical, mining, food, nonferrous metal, banking, insurance, hotel, restaurant, and real estate. These Chinese FDIs are also interested in infrastructure construction projects, contracting, and labor service cooperation in Thailand. Meanwhile, there have been joint and multidimensional cooperation between Thailand and China in the Greater Mekong Sub-region (GMS) and China-ASEAN FTA's Framework.

2.2 Environmental Dimensions

From our reviews on environmental dimensions, we found that very few empirical studies related to business strategy contexts comprised environmental factors that offered consistent results (Aldrich, 2007). Since 1987, Swamidass and Newell developed a path model to explore the causal relationships of environmental dimensions, business strategy process, business strategy emphasis, and business performance. Swamidass and Newell found positive relationships between environmental dimensions and business strategy emphasis and negative relationships between environmental and business strategy processes. Business strategy process and business strategy emphasis were found positively significant to business performance. Hence, their results concluded that the environment dimensions play a substantial role in business strategy emphasis and business performance. Van Dierdonck and Miller (1980) also included environmental dimensions in their research studies and found important factors such as ambiguity and complication in environmental dimensions in their business strategy emphasis and production control system model. Accordingly, their research also suggested the importance of environmental dimensions as part of the context for business strategy research. McDougall, Deane, and D'Souza (1992) provided another example of environmental dimensions associated with business strategy. Their studies employed managerial perceptions of the environment dimensions to regulate subsequential environmental-related variables. Our



examination of the business strategy literature has not yielded other examples of detailed empirical research of environmental dimensions.

From a different perspective, empirical studies in business strategy may indirectly influence environmental dimensions by restricting industry coverage. Industry coverage and environmental dimensions are closely related fundamentals (Dess & Donald W. Beard, 1984). Hence, a research study's generalizability would also be restricted if it is limited to a single industry (Dess, Ireland, & Hitt, 1990). In recent business strategy studies of multiple industries, Roth & Van Der Velde, 1991 found a significant relationship between industry and business strategy, which was uncontrollable. Since industry effects are a replacement for the effects of the environmental dimensions (Dess et al., 1990), they concluded that business strategy emphases were probably affected by environmental dimensions, which should be considered in future research. In general, published business strategy lacks sufficient consideration to explicitly consider environmental dimensions (Adam & Swamidass, 1989).

2.3 Business Strategy Emphasis

A business strategy can be defined as an advanced business planning tool. Most companies use business strategies to respond to external environmental dimensions, develop certain advantages over their business operations (Porter, 1996). Hence, a business strategy has a significant effect on top management decisions. In recent research, increasing emphasis was placed on exploring the environmental protection factors that affect sustainable business growth. Ward, Duray, Leong, and Sum (1995) revealed a standard description in business strategy research that defined business strategy emphasis as decisive capabilities. They used the term "competitive priorities" to describe these capabilities, like in many previous research studies. However, many other standings contribute to these concepts: core content and content variables (Adam & Swamidass, 1989), competitive dimensions (Fitzsimmons, Kouvelis & Mallick, 1991), external performance procedures (Fine and Hax, 1985), manufacturing errands (Skinner, 1969, Berry, Bozarth, Hill, and Klompmaker, 1991,

Richardson, Taylor, & Gordon, 1985), order winners and order qualifiers (Hill, 1989), organizational significances and generic abilities (Ferdows & De Meyer, 1990), and production capability (Vickery et al., 1993, Cleveland, G., Schroeder, R. G., J. C. Anderson, 1989, Vickery, 1991). Despite the fact that we had found extreme diversity in the terminology used, there is a broad consensus that business strategy emphasis can be expressed in terms of at least four essential components – 1. Low Cost, 2. Quality, 3. Delivery Performance, and 4. Flexibility (Hayes and Wheelwright, 1984, Van Dierdonck and Miller, 1980, Wheelwright, 1984, Fine and Hax, 1985). The following section elaborates on the four basic types of business strategy emphasis.

Low-Cost Strategy - When a company employs a low-cost strategy, they sell their products at a lower price by controlling their production costs, reducing inventory, increasing equipment utilization, and increasing capacity utilization. The main strategic objective is to gain market share rapidly by offering economical prices.

Quality Strategy – This involves quality management of the company's overall activities to ensure that products and services offered and provided are up to standard requirements. Quality management assures and sustains quality-related issues to both the company and its customers. Quality management comprises four key components as follows – 1. Quality Planning, 2. Quality Improvement, 3. Quality Control, and 4. Quality Assurance. This strategy underlines the quality of its products and services to enhance its customers' satisfaction.

Flexibility Strategy - Strategic flexibility is defined as a company's capabilities in responding to the external environmental dimensions with its available resources. Most importantly, it is seen as an enhanced capability as the company reacts effectively to environmental changes. Companies that employ this strategy are more flexible to external environmental changes and ease problem-solving.

Delivery Strategy – The delivery strategy emphasizes mainly the delivery services provided along with the main products, such as delivery reliability and delivery efficiency. The delivery strategy simply covers everything to do with the delivery operations of the company. This strategy may involve self-delivery, third-



party delivery, distributors, and online delivery strategies and specifically focused on the premium services offered to their customers.

The four business strategy emphases stayed multidimensional, and to apprehend these dimensions, we had employed various items in our survey questionnaire for each business strategy emphasis. Similar to the previous research context, this research study employed the "degree of emphasis" to measure each kind of business strategy emphasis. For example, it was indicated by the emphasis placed on reducing unit costs, material and overhead costs, or inventory reduction in a low-cost strategy choice. In quality strategy choice, we measure the degree of emphasis on activities to reduce defect rates, improve vendor quality, improve product performance and reliability. Flexibility measures emphasize shortening product cycles, reducing production lead-time, and reducing product-changing durations. Delivery performance measures include the degree of emphasis on activities related to delivery reliability or delivery efficiency.

2.4 Cross-Cultural Competence

Cultural competence is defined as an individual's ability to effectively communicate, interact, solve problems with other people of a different cultural background. Cultural background typically comprised principles, norms, and activities of people from different societies. Globalization is defined as the acceleration of activities and interactions of humanoid, properties, services, investment, know-how, or culture. The effects of globalization have brought about the enhancement of interactions between different countries and people worldwide. Due to these significant globalization trends, many international organizations were formed in different regions around the world to support international trades and businesses. These included forming a "single" Europe, the North American Free Exchange Agreement (NAFTA), and World Exchange Organization (WTO). International companies have begun to evolve, and there were rapid movements, and investment flows across countries. (Johnson, Lenartowicz, & Apud, 2006). Since then, more and more expatriates were in demand to be involved in such international migrations of

jobs. In the beginning, some of these international companies succeeded, but many also failed. These incapacities and failures had increased the demand for adjustments and improved skills to work in international environments. This progression of newly involved expatriates has led to the requirement and importance of their communication and interaction skills capabilities across different cultures. (Tung, 1982, Doremus et al., 1998, Ricks, 1999, Apud et al., 2003). Correspondingly, many research studies related to globalization, expatriates, and cultural competence have emerged. We had found two mainstream of emphasis from our reviews in previous literature – 1. Expatriate failure and 2. The inability of top management to challenge international tasks.

Tung (1982), in his study of expatriate failure, stated that there was a higher early return home rate of U.S. expatriates compared to Europe and Japan. Although it was remarked that Tung's expatriate failure report had methodology flawed (Harzing, 1995), a large sum of expenses and operating costs had been incurred in these failures. On the other hand, some of these early business failures did not involve expatriates' issues (Johnson et al., 2006) included the following – 1. Failed to select a good local partner, 2. Inability to manage a foreign merger, acquisition, or joint company effectively, and 3. Inadequate considerations and analysis of the local economic, political, and sociocultural situations. Gertsen (1990) defined and named "Cross-Cultural Competence" (CC) as an individuals' ability to perform, communicate and interact effectively in a different culture. He continued to conclude that CC is not the sole solution to international business success. However, many researchers in the related field mentioned that many thriving local businesses encountered cross-cultural barriers and fail because of their low CC level (Trompenaars, 1994, Mishra and Sinha, 1999). Although there is an increasing volume of research studies on globalization and international business related to CC issues, most companies still did not provide proper guidance and training for their expatriates (Apud et al., 2003).

Johnson, J., Lenartowicz, T., & Apud, S. (2006) acknowledged the importance of CC within the international business literature in their early studies in this field. Accordingly, they illustrated four astonishing results in their research works as follows – 1. There is no consensus on the diverse definitions of CC. 2. In most



literature on international business (IB), there are very few in-depth studies on CC and its origins. 3. The absence of environmental dimensions in the studies of CC in IB in which expatriate operates. 4. There were already abundant findings and coverage regarding workplace diversity and cross-cultural interactions in the United States. Johnson, J. et al. (2006) enquires for a definition of 'CC' that has led to a search of two literature databases – 1. EBSCO (2680 journals) and 2. ABI-INFORM (1976-2004). Several different keywords combinations were used, 'competence' or 'competency,' and 'cultural,' 'intercultural,' 'cross-cultural,' 'global,' 'international,' or 'international,' and the results were presented as to how these terms were defined in the literature. These terms were grouped into three categories - 1. international business, 2. workplace diversity, 3. intercultural communications. The fourth field of study, psychology, offered a discussion of CC, but no clear definition for the term was found. A summary of the result findings was presented in Table 1 below.

Table 1 Cross-cultural Competence Definitions (Johnson et al., 2006)

Field	Authors	Concept	Definition	Content
International business	Leiba-O'Sullivan (1999)	Cross-cultural competency	Knowledge, skills, abilities, 'other' attributes	Categorizes competencies as stable or dynamic
International business	Adler and Bartholomew (1992)	'Global' or 'transnational' competence	Specific knowledge, skills and abilities	An affective dimension (personality traits and attitudes), a cognitive dimension (how individuals acquire and categorize cultural knowledge), and a communicative, behavioral dimension
International business	Gertsen (1990)	Cross-cultural competence	'The ability to function effectively in another culture'	
International business	Black and Mendenhall (1990)	Effective cross-cultural interactions	Cross-cultural skills development, adjustment, and performance	Three-way taxonomy of skills development: self, relational perceptual
International business	Hofstede (2001)	Intercultural communication competence	None	Awareness, knowledge, skills and personality
Workplace diversity	Cross et al. (1989)	Cultural competence	'...a set of congruent behaviors, attitudes, and policies that come together in a system, agency, or among professionals and enables that system, agency, or those professionals to work effectively in cross-cultural situations'	Personal attributes, knowledge, and skills
Intercultural communications		Collier (1989); Imahori and Lanigan (1989); Kealey, (1989); Wiseman et al. (1989); Redmond and Bunyi (1993); Miller (1994); Lustig and Koester (1999)	Intercultural communications competence	To be appropriate and effective in the communication process that takes place between individuals from different national cultures
Psychology	LaFromboise et al. (1993)	Cultural competence	None	Personality, knowledge, ability, skills, behaviors

In more recent studies, Earley and Ang, 2003 introduced cultural intelligence (CQ). According to Earley (2002), CQ “reflects a person's capability to adapt as interactions with others from different cultures.” CQ is different from emotional intelligence (Goleman, 1995) and social intelligence (Vernon, 1993), which Earley argued are both culture-bounded. (Earley, 2002). In Johnson et al.'s view, CQ conceptualization had played an essential role as a latent construct in CC development. Cognitive, motivational, and behavioral dimensions derived from knowledge, skills, and attributes are all process and content features of CQ. In addition, CQ explains the acquiring procedures of these extents to new cultural contexts. That would help explain further that an individual with a high level of CQ has 1. better cognitive skills to communicate, interact and solve problems with people in a different culture, 2. the higher motivational inspiration to adjust and adapt to a different cultural environment, and 3. higher capability and more involved in adaptive behaviors (Earley and Ang, 2003).

2.4.1 The Hofstede Culture Model

For the main cross-cultural context of this research study, besides the key features related to CQ mentioned earlier, we had also included critical features of Hofstede's Six Dimensions of Culture Model. Hofstede's cultural dimensions model was published at the end of the 1970s and became a recognized benchmark used worldwide to understand cultural differences and other concerns regarding culture. Initially, Hofstede started his study with IBM employees in more than 50 countries. From his research works, he acknowledged four key dimensions that distinguish different cultures. The last two dimensions were presented in his research works with Dr. Michael H. Bond and Dr. Michael Minkov, and together, he completed his work of genius - Hofstede's Six Dimensions of Culture - 1. Power Distance Index, 2. Individualism versus Collectivism, 3. Masculinity versus Femininity, 4. Uncertainty Avoidance Index, 5. Short-Term versus Long-Term Orientation and 6. Indulgence versus Restraint. Most importantly, these dimensions exerted quantitative and qualitative concepts to understand the dimensional differences in each dimension studied. Hence, it gives a more precise approach for each culture and supports related information (Hofstede, 2011).



In this section, we continued to present each of the six dimensions of Hofstede's Six Dimensions of Culture Model in a more detailed context as follows.

Power Distance (PDI)

Power Distance is defined as the degree of acceptance of less powerful members in a group, society, or country accepting and expecting that power is distributed unequally. Hofstede (2011) also demonstrated that all members in that particular society permitted this acceptance of inequality level. Table 2 showed the differences in small and large power distance societies.

Table 2 Differences in Small and Large Power Distance Societies (Hofstede, 2011)

Small Power Distance	Large Power Distance
Use of power should be legitimate and is subject to criteria of good and evil	Power is a basic fact of society antedating good or evil: its legitimacy is irrelevant
Parents treat children as equals	Parents teach children obedience
Older people are neither respected nor feared	Older people are both respected and feared
Student-centered education	Teacher-centered education
Hierarchy means inequality of roles, established for convenience	Hierarchy means existential inequality
Subordinates expect to be consulted	Subordinates expect to be told what to do
Pluralist governments based on majority vote and changed peacefully	Autocratic governments based on co-optation and changed by revolution
Corruption rare; scandals end political careers	Corruption frequent; scandals are covered up
Income distribution in society rather even	Income distribution in society very uneven
Religions stressing equality of believers	Religions with a hierarchy of priests

Uncertainty Avoidance (UAI)

Uncertainty Avoidance is defined as the degree of acceptance of uncertainty, indistinctness, or inconspicuousness. It demonstrates the degree of comfort when members of society confront uncertain situations (Hofstede, 2011). Uncertain situations usually involve unexpected changes, outrageous and unknown conditions, and circumstances that are different from usual. Strong UAI cultures usually reduce the emerging chances of such uncertain situations by applying strict social codes, rules and regulations, and disapproving of different opinions. (Hofstede,

2011). Table 3 showed differences between weak and strong uncertainty avoidance societies.

Table 3 Differences in Weak and Strong Uncertainty Avoidance Societies (Hofstede, 2011)

Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
The uncertainty inherent in life is accepted and each day is taken as it comes	The uncertainty inherent in life is felt as a continuous threat that must be fought
Ease, lower stress, self-control, low anxiety	Higher stress, emotionality, anxiety, neuroticism
Higher scores on subjective health and well-being	Lower scores on subjective health and well-being
Tolerance of deviant persons and ideas: what is different is curious	Intolerance of deviant persons and ideas: what is different is dangerous
Comfortable with ambiguity and chaos	Need for clarity and structure
Teachers may say 'I don't know'	Teachers supposed to have all the answers
Changing jobs no problem	Staying in jobs even if disliked
Dislike of rules - written or unwritten	Emotional need for rules – even if not obeyed
In politics, citizens feel and are seen as competent towards authorities	In politics, citizens feel and are seen as incompetent towards authorities
In religion, philosophy and science: relativism and empiricism	In religion, philosophy and science: belief in ultimate truths and grand theories

Individualism versus Collectivism (IDV)

Individualism is defined as a state when people are more concerned with only close family members and themselves. Conversely, collectivism is defined as a state when people prefer to be in a group or society that shares common benefits in exchange for devotion - and vice versa (Hofstede & Bond, 1984). Table 4 showed differences in individualist and collectivist societies.

Table 4 Differences in Collectivist and Individualist Societies (Hofstede, 2011)

Individualism	Collectivism
Everyone is supposed to take care of him- or herself and his or her immediate family only	People are born into extended families or clans which protect them in exchange for loyalty
"I" – consciousness	"We" –consciousness
Right of privacy	Stress on belonging
Speaking one's mind is healthy	Harmony should always be maintained
Others classified as individuals	Others classified as in-group or out-group
Personal opinion expected: one person one vote	Opinions and votes predetermined by in-group
Transgression of norms leads to guilt feelings	Transgression of norms leads to shame feelings
Languages in which the word "I" is indispensable	Languages in which the word "I" is avoided
Purpose of education is learning how to learn	Purpose of education is learning how to do
Task prevails over relationship	Relationship prevails over task

Masculinity vs. Femininity (MAS)

Masculinity and femininity are defined as two identical gender values distribution, which is another important issue related to culture dimensions in a society (Hofstede, 2010). This dimension is also defined as one's gender identity in a particular society (Burke et al. 1988, Spence 1985), which refers to the ways people in society see themselves as masculine or feminine. Norms of such dimensions are usually built on acutely rooted values. These norms trace important but often unconscious values in some societies, too painful to be explicitly discussed (Hofstede, 2010). Table 5 showed the differences in feminine and masculine societies.

Table 5 Differences in Feminine and Masculine Societies (Hofstede, 2011)

Femininity	Masculinity
Minimum emotional and social role differentiation between the genders	Maximum emotional and social role differentiation between the genders
Men and women should be modest and caring	Men should be and women may be assertive and ambitious
Balance between family and work	Work prevails over family
Sympathy for the weak	Admiration for the strong
Both fathers and mothers deal with facts and feelings	Fathers deal with facts, mothers with feelings
Both boys and girls may cry but neither should fight	Girls cry, boys don't; boys should fight back, girls shouldn't fight
Mothers decide on number of children	Fathers decide on family size
Many women in elected political positions	Few women in elected political positions
Religion focuses on fellow human beings	Religion focuses on God or gods
Matter-of-fact attitudes about sexuality; sex is a way of relating	Moralistic attitudes about sexuality; sex is a way of performing

Long-term Orientation vs. Short-term Orientation (LTO)

Some Chinese researchers initially designed the long-term orientation and short-term orientation dimensions using a questionnaire survey distributed to students in 23 countries worldwide (Chinese Culture Connection, 1987). Hofstede had obtained the permission to develop this dimension further and decided to give it a new name, “Long-Term versus Short-Term Orientation.” This fifth dimension of Hofstede’s work comprised the long-term pole similar to Bond’s “Confucian Work Dynamism” work. Table 6 showed the differences in the long-term and short-term orientation dimensions.

Table 6 Differences Between Short and Long-Term-Oriented Societies (Hofstede, 2011).

Short-Term Orientation	Long-Term Orientation
Most important events in life occurred in the past or take place now	Most important events in life will occur in the future
Personal steadiness and stability: a good person is always the same	A good person adapts to the circumstances
There are universal guidelines about what is good and evil	What is good and evil depends upon the circumstances
Traditions are sacrosanct	Traditions are adaptable to changed circumstances
Family life guided by imperatives	Family life guided by shared tasks
Supposed to be proud of one’s country	Trying to learn from other countries
Service to others is an important goal	Thrift and perseverance are important goals
Social spending and consumption	Large savings quote, funds available for investment
Students attribute success and failure to luck	Students attribute success to effort and failure to lack of effort
Slow or no economic growth of poor countries	Fast economic growth of countries up till a level of prosperity

Indulgence vs. Restraint (IND)

The sixth or last dimension was finally included in Hofstede’s 2010 book. This dimension focuses on features that differ from the other five dimensions mentioned before. Indulgence was defined as a culture that allows comparatively free gratification of basic and natural human desires related to enjoying life. In contrast, restraint was referred to as a culture that controls the gratification of needs and

regulates it through strict social norms (Hofstede, 2010). Table 7 showed the differences between indulgence and restrained societies.

Table 7 Differences between Indulgence and Restrained Societies (Hofstede, 2011)

Indulgence	Restrained
Higher percentage of people declaring themselves very happy	Fewer very happy people
A perception of personal life control	A perception of helplessness: what happens to me is not my own doing
Freedom of speech seen as important	Freedom of speech is not a primary concern
Higher importance of leisure	Lower importance of leisure
More likely to remember positive emotions	Less likely to remember positive emotions
In countries with educated populations, higher birthrates	In countries with educated populations, lower birthrates
More people actively involved in sports	Fewer people actively involved in sports
In countries with enough food, higher percentages of obese people	In countries with enough food, fewer obese people
In wealthy countries, lenient sexual norms	In wealthy countries, stricter sexual norms
Maintaining order in the nation is not given a high priority	Higher number of police officers per 100,000 population

2.5 Business Model (BM)

Early BM perceptions inspired by the demand to explain and explore new BMs that emerge during the end of the 20th century were confirmed by Alt and Zimmermann (2014) and Wirtz, Pistoia, Ullrich, and Göttel (2015) recent research studies. The BM as a general administration concept was also acknowledged through early publications of Chesbrough and Rosenbloom (2002) and Magretta (2002), which they had linked business strategy, innovation, and transformation to BM. Subsequently, BM researchers had tried several approaches to conceptualized BM. A conservative definition that resonates well with the overall BM perspectives inspiring this field was introduced by Teece (2010), who highlighted BM's innovative values as follows - 1. A BM defines companies' strategy in value creation, delivery and denotes the procedures. 2. A BM recognizes customer needs and their purchasing power. 3. A BM defines how the company responds and delivers value to customers, induces customers' payments, and converts those payments to profits through proper design of key elements in the value chain.

Even though many research works had focused on BM definitions, no consensus or generally accepted definitions could be found so far (cf. Weill et al.,

2011). This absent consensus amid projected definitions had resulted in comprehensive discussion in the BM literature (cf. Chesbrough and Rosenbloom 2002, Mahadevan 2000, Osterwalder et al. 2005, Timmers 1998, Zott et al. 2010). Moreover, Stähler 2002 also criticized the disagreements in existing definitions due to a deviation in focusing on original definitions. First, differences can already be observed concerning the length of definitions. While some were stretched over more than one page, others comprehended only a couple of words (cf. Shi and Manning 2009, Stähler 2002).” For example, Osterwalder et al. (2005) had used a semantic approach by evaluating the term “business model” and defined BM as “A conceptual tool that contains a set of elements and their relationships and allows expressing the business logic of a specific company. It described the value a company offers to one or several segments of customers and the company's architecture, and its network of partners for creating, marketing, and delivering such values and relationship as capital to produce profitable and sustainable revenue streams.” Conversely, most definitions were derived based on literature analysis. For example, Al-Debei et al. (2008) proposed that the definition should be inclusive and generally applicable, in combination with a literature analysis, and defined BM as follows: “The business model is an abstract representation of an organization, be it conceptual, textual, and graphical, of all core interrelated architectural, operational, and financial preparations designed and established by an organization presently and in the future, and all core products or services that the organization offers or will offer, based on these activities that are needed to accomplish its strategic goals and purposes.”

The importance and awareness of BM had increased in recent years, along with concerns of present BM that showed incapacibilities in past global financial crises. When sustainable growth and development of international companies were a key concern, these crises triggered international organizations such as the United Nations Industrial Development Organization and World Business Council for Sustainable Development to inquire for more significant contributions from these companies. Sustainable growth and development were defined as “development that meets the demands of the present without compromising the ability of future generations to meet their demands” (World Commission on Environmental Development, 1987). On

the organizational level, the visualization of sustainable growth and development had directed to perceptions such as management sustainability, business performance sustainability, innovation and entrepreneurship sustainability, and social business sustainability. Sustainable development on the individual, organizational, and societal levels is widely promoted by today's top management of international companies.

On the other hand, experts in the field and researchers were interested in whether newly innovated and modified BMs contribute to business sustainability by either radically minimizing undesirable or producing constructive external effects for the natural environment and society (e.g., Boons & Lüdeke-Freund, 2013, Hansen, Große-Dunker, F., & Reichwald, 2009, Stubbs & Cocklin, 2008). These included BM transformations of existing companies (Sommer, 2012) and new BMs innovated by entrepreneurs (Hockerts & Wüstenhagen, 2010). In addition, Pohle and Chapman (2006) explored business innovation in their studies, interviewed 765 CEOs worldwide, and concluded that companies that focus on business model innovations had gained significantly business performance growth than those directed to product or service innovations. Similar results were published by Afuah and Tucci (2001) and Amit and Zott (2010), confirming that well-formulated, advanced, and innovative BMs caused competitive advantage enhancement, leading to higher business performance than competitors.

2.6 Business Model Innovation (BMI)

Like BM literature, business model innovation (BMI) had increased management researchers' and experts' attention in the past 15 years. However, the evolving BMI literature discoursed an essential concept, but there is still an absence of theoretical underpinning, and empirical inquiry is not cumulative (Foss & Saebi, 2017). Therefore, Foss & Saebi's (2017) intensive research effort is necessary to account for BMI's existing literature. Foss & Saebi's (2017) research works identified and analyzed 150 peer-reviewed academic articles on BMI. These articles were published between 2000 and 2015. Eventually, they provided the first comprehensive

systematic review of the BMI literature, including a decisive valuation of these research efforts, and offered valuable recommendations for future research.

BMI represents an innovative and more complete structural innovation that permits theory-building, implementation, and piloting. As a result, innovative BMs significantly influence companies' business performance, “even under fluctuating environmental managements” (Zott & Amit, 2007: 181). Correspondingly, companies that innovate their BMs prudently experienced positive performance effects (Cucculelli & Bettinelli, 2015). While this intensified the validity of rapidly increasing academic and commercial interest in the field, it highlighted the demand for additional theoretical and empirical research on BMI to understand the phenomenon better (Foss & Saebi, 2017).

In more recent years, various organized literature reviews of the BM and BMI literature were presented by Foss and Saebi (2017). They categorized these works of literature into research findings and included the data sources and samples. For example, George & Bock, 2011; Lambert & Davidson, 2013; Wirtz et al., 2016; Zott et al., 2011, as shown in Table 8. Schneider and Spieth (2013) also explicitly reviewed 35 papers on BMI literature. They identified three key streamlines in all BMI literature, “prerequisites,” “process,” and “effects.” Accordingly, they had necessitated further researches on “the process and elements of business model innovation and its enablers and effects in anticipation and response to increasing environmental volatility.”

Table 8 BM and BMI Articles Review (Foss & Saebi, 2017)

Articles Reviewing Business Models and Business Model Innovation		
Focus: Authors	Findings	Data source and sample
<u>Business models (BMs)</u>		
George and Bock (2011)	Use of business models <ul style="list-style-type: none"> Organizational design Resource-based view Narrative and sense making Nature of innovation Transactive structure Opportunity facilitator 	EBSCO Business Source Premier and ISI Web of Science, <i>n</i> = 108 articles
Zott et al. (2011)	Three themes of BM literature <ul style="list-style-type: none"> E-business Business models and strategy Innovation and technology management 	EBSCO Business Source Premier, <i>n</i> = 103 articles
Lambert and Davidson (2013)	Three themes of BM literature <ul style="list-style-type: none"> Business model as basis for enterprise classification Business models and enterprise performance Business model innovation 	ProQuest database, <i>n</i> = 69 articles
Wirtz et al. (2016)	Four research foci <ul style="list-style-type: none"> Innovation Change and evolution Performance and controlling Design 	EBSCO Business Source Complete, <i>n</i> = 681 articles
<u>Business model innovation (BMI)</u>		
Schneider and Spieth (2013)	Three streams of BMI research: <ul style="list-style-type: none"> Prerequisites of conducting BMI Process and elements of BMI Effects achieved through BMI 	ISI Web of Knowledge and SSRN, <i>n</i> = 35 articles
Spieth et al. (2014)	Three motivations for engaging in BMI research: <ul style="list-style-type: none"> Explaining the business Running the business Developing the business 	Not provided
Current study	Theory assessment and research agenda: <ul style="list-style-type: none"> Construct clarity Congruence Contingency hypotheses Boundary conditions 	EBSCO Business Source Complete and Science Direct, <i>n</i> = 150 articles

2.6.1 Definitions of Business Model Innovation

Foss and Saebi (2017) have pointed out a gap in the definition construct and reification of the available BMI literature in their recent research studies. Their review had revealed the confusion and complication of what a BMI is. One research stream reviewed earlier interpretations of BMI as a process, and the other regarded it as an outcome. Accordingly, significant implications from subsequent research were categorized into these two different streams as follows – 1. Research that perceived

BMI as a process executed vigorous approaches to search for organizational features that ease or delay the BMI process. For example, in the studies of Demil & Lecocq, 2010 and Doz & Kosonen, 2010. 2. Research engrossed in the outcome tends to be more descriptive and identify the BMI content. For example, in Bucherer, Eisert, and Gassmann, 2012; Günzel and Holm, 2013; Johnson, 2010; and Mitchell and Coles, 2004. Hence, we acknowledged that both kinds of researches contribute to the BMI literature. However, due to the different perceptions, these researches resulted in diverse concepts and theoretical approaches. For example, the process approach to BMI may intrinsically necessitate a qualitative approach than the content approach. Table 9 showed BMI definitions from previous research, which we found apparent diversity, lack of clarity, and specificity.



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Table 9 Definitions of BMI (Foss & Saebi, 2017)

Selected Definitions of Business Model Innovation (Ordered Chronologically)	
Authors	Definitions
Mitchell and Coles (2004a: 17)	"By business model innovation, we mean business model replacements that provide product or service offerings to customers and end users that were not previously available. We also refer to the process of developing these novel replacements as business model innovation."
Markides (2006: 20)	"Business model innovation is the discovery of a fundamentally different business model in an existing business."
Santos et al. (2009: 14)	"Business model innovation is a reconfiguration of activities in the existing business model of a firm that is new to the product service market in which the firm competes."
Aspara et al. (2010: 47)	"Initiatives to create novel value by challenging existing industry-specific business models, roles and relations in certain geographical market areas."
Gambardella and McGahan (2010: 263)	"Business model innovation occurs when a firm adopts a novel approach to commercializing its underlying assets."
Yunus et al. (2010: 312)	"Business model innovation is about generating new sources of profit by finding novel value proposition/value constellation combinations."
Sorescu et al. (2011: S7)	"As a change beyond current practice in one or more elements of a retailing business model (i.e., retailing format, activities, and governance) and their interdependencies, thereby modifying the retailer's organizing logic for value creation and appropriation."
Amit and Zott (2012)	Innovate business model by redefining (a) content (adding new activities), (b) structure (linking activities differently), and (c) governance (changing parties that do the activities).
Bucherer et al. (2012: 184)	"We define business model innovation as a process that deliberately changes the core elements of a firm and its business logic."
Abdelkafi et al. (2013: 13)	"A business model innovation happens when the company modifies or improves at least one of the value dimensions."
Aspara et al. (2013: 460)	<i>Corporate business model transformation</i> is defined as "a change in the perceived logic of how value is created by the corporation, when it comes to the value-creating links among the corporation's portfolio of businesses, from one point of time to another."
Berglund and Sandström (2013: 276)	"A BMI can thus be thought of as the introduction of a new business model aimed to create commercial value."
Casadesus-Masanell and Zhu (2013: 464)	"At root, business model innovation refers to the search for new logics of the firm and new ways to create and capture value for its stakeholders; it focuses primarily on finding new ways to generate revenues and define value propositions for customers, suppliers, and partners."
Khanagha et al. (2014: 324)	"Business model innovation activities can range from incremental changes in individual components of business models, extension of the existing business model, introduction of parallel business models, right through to disruption of the business model, which may potentially entail replacing the existing model with a fundamentally different one."

Foss & Saebi (2017) also extricate four partially overlapping streams of BMI research, as shown in Table 9. Previous research works reviewed in these four main streams signified an essential advancement in the work of BM and BMI. In the following section, we continued to propose the four mainstream of BMI research.

Research Stream 1: Conceptualizing BMI

The first stream highlighted included definitions and conceptualizations of BMI. This stream of research focused on the meaning of the term “business model innovation” and how entrepreneurs transformed BM.

Research Stream 2: BMI as a Transformation Process

The rapid growth of innovation constantly challenges the business development processes (Damanpour, 1996). Hence, we were not surprised to discover that this second stream of research associated BMI with business development processes. This stream of research stressed the competencies, management, and knowledge that necessitate BMI success. Research studies within this stream defined BMI as a dynamic process.

Research Stream 3: BMI as an Outcome

The third stream of BMI literature emphasized the process outcome of the transformation processes in new and innovative BMs. This stream regularly addressed the development of new BMs in a specific industry. Other researches in this stream also explored BM in specific types, such as that for low-income markets, sustainable energy (Richter, 2013), manufacturing corporations (Witell & Löfgren, 2013), or service (Visnjic Kastalli & Van Looy, 2013). Other articles described a specific company’s “innovative” BM, such as Nestlé’s Nespresso (Matzler, Bailom, den Eichen, & Kohler, 2013).

Research Stream 4: Consequences of BMI

The fourth stream explicitly focused on the implications and consequences of BMIs. Foss & Saebi (2017) differentiated BMI process research with outcome implications, and those that explored the effects of different types of BMs on company performance.

Table 10 Streams of BMI Research (Foss & Saebi, 2017)

Streams of Business Model Innovation Research		
Research Focus	Method	Examples
1. Conceptualization and classification of BMI	Conceptual, case examples Survey data	Amit and Zott (2012), Johnson et al. (2008), Koen et al. (2011), Markides (2006), Santos et al. (2009), Sorescu et al. (2011) Giesen et al. (2007)
2. BMI as a process (e.g., importance of capabilities, leadership, learning mechanisms)	Conceptual, case examples	Berglund and Sandström (2013), Cavalcante (2014), de Reuver et al. (2009), Deshler and Smith (2011), Evans and Johnson (2013), Girotra and Netessine (2013, 2014)
	Single/multiple case studies	Achtenhagen et al. (2013), Aspara et al. (2013), Demil and Lecocq (2010), Deshler and Smith (2011), Dmitriev et al. (2014), Doz and Kosonen (2010), Dunford et al. (2010), Enkel and Mezger (2013), Frankenberger et al. (2013), Günzel and Holm (2013), Khanaga et al. (2014), Moingeon and Lehmann-Ortega (2010), Mezger (2014), Pynnonen et al. (2012), Sosna et al. (2010)
	Content analysis Experimental	Bohnsack et al. (2014) Eppler and Hoffmann (2012), Eppler et al. (2011)
3. BMI as an outcome (e.g., identifying/describing innovative business models)	Single/multiple case studies	Abdelkafi et al. (2013), Anderson and Kupp (2008), Gambardella and McGahan (2010), Sánchez and Ricart (2010), Yunus et al. (2010), Wirtz et al. (2010), Berman (2012), Holm et al. (2013), Richter (2013), Visnjic Kastalli and Van Looy (2013)
4. BMI and organizational implications/performance	Survey data	Zott and Amit (2007), Giesen et al. (2007), Aspara et al. (2010), Bock et al. (2012), Denicolai et al. (2014), Huang et al. (2012, 2013), Pohle and Chapman (2006), Cucculelli and Bettinelli (2015), Wei et al. (2014), Velu and Jacob (2014), Kim and Min (2015)

2.7 The Cambridge Business Model Innovation Process (CBMIP)

From the literature reviews of BMI in the earlier section, we have already recognized that organizations to increase their sustainability involve new technologies and innovation on the BM level. Suppose there are no transformations and development growth in industry structures, industrial sustainability, and profitability would be brutally restricted (Evans, Bergendahl, Gregory, & Ryan, 2009; Robert, Parris, & Leiserowitz, 2005).

The CBMIP is a BMI framework innovated to guide companies with proper procedures and acknowledge potential intimidations (Geissdoerfer, Savaget, & Evans, 2017). The CBMIP in Figure 5 showed BMI experimental processes in a descriptive perspective and how companies can execute these processes to obtain competitiveness

and sustainability in prescriptive guidance. The BMI processes are usually recurring or repetitive by nature. During application, the company would repeat it to adapt or react to environmental challenges (Martin Geissdoerfer et al., 2017). Hence, it implies that they may be repeated, omitted according to their necessities and restrictions when the processes are executed. The CBMIP comprised eight consecutive but repetitive process stages categorized in three main phases. Each of the key phrases was explained in details as follows:

1. Ideation Phase: The key activities in this phase included 1. Vision purpose formulation. 2. Stakeholder definitions. 3. Value mapping and ideation. 4. Sustainable value analysis. 5. Evaluation and selection of ideas.

2. Concept Design Phase: The key activities in this phase included 1. Integration of ideas. 2. Discussion of technological and general trends. 3. Definition of value creation, delivery, and capture elements and dimensions of BM.

3. Virtual Prototyping Phase: The key activities in this phase included 1. Benchmarking with industry. 2. Benchmarking with general BM concepts. 3. Prototype building. 4. Prototype evaluation and selection.

4. Experimenting Phase: : The key activities in this phase included 1. Identification of key valuables. 2. Experiment design. 4. Experiment execution. 5. Analysis of lesson learned.

5. Detail Design Phase: The key activities in this phase included 1. Detailed definition of all elements. 2. Overview of each element. 3. Business transformation tool.

6. Piloting Phase: The key activities in this phase included 1. Planning. 2. Implementation. 3. Analysis. 4. Documentation and communication. 5. Identification of failure modes.

7. Launching Phase: The key activities in this phase included 1. Planning realization. 2. Implementation, 3. Scale-up.

8. Adjustment and Diversification Phase: The key activities in this phase included 1. Monitoring. 2. Reflection. 3. Adjustment. 4. Scale-up. 5. Diversification iteration of the BMI process.

The CBMIP addressed its design-implementation gap with precise and prescriptive aptitudes. First, the CBMIP was accomplished to supply a more comprehensive system than existing in writing, broadly covering diverse business modeling phases, including their main features and mechanisms and activities, the changes in different phases, and the potential challenges. Thus, the context can advise the planning and execution of BMI. Second, this model is also significant for identifying and integrating new and existing tools into an organized and cooperative selection capable of exploring new challenges and serving BM in different industries, sizes, and operating in different contexts.

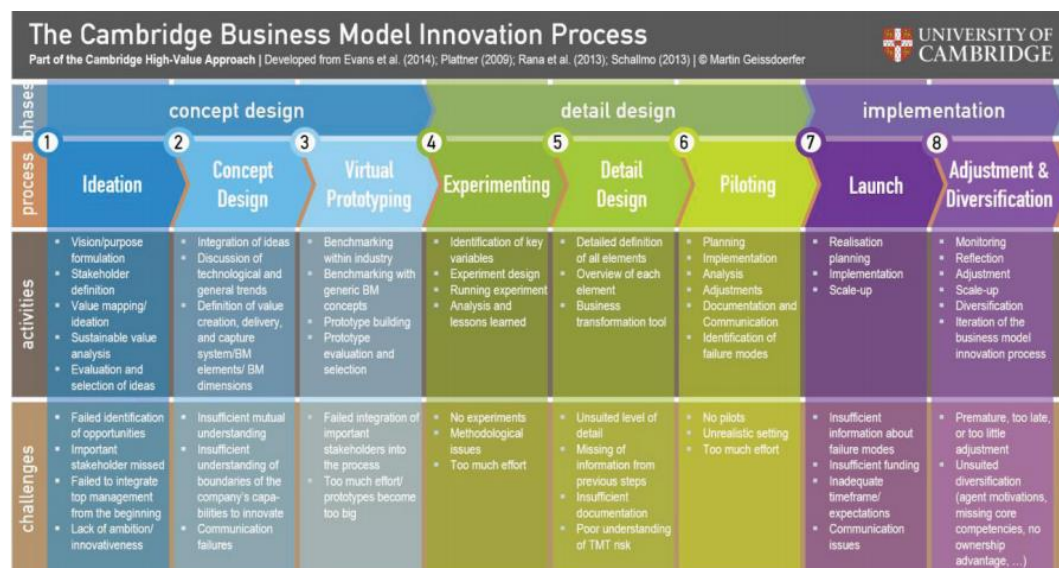


Figure 5 The Cambridge Business Model Innovation Process (CBMIP) (Martin Geissdoerfer, Savaget, & Evans, 2017)

2.8 The Business Model Canvas

Osterwalder (2004) first designed the Business Model Canvas (BMC) in his Ph.D. dissertation at the University of Lausanne. Subsequently, in 2005, Osterwalder,

Pigneur, and Tucci reviewed more BM research to develop the BMC further. They finalized their conclusions and defined the BMC as a an advance business tool that companies use to capture, create, and deliver their values to their customers. (Kotler & Keller, 2016, Leschke, 2013, Weinstein, 2012). The BMC comprised nine building blocks as follows – 1. Key partners, 2. Key Activities, 3. Key Resources, 4. Value Propositions, 5. Customer Relationship, 6. Channels, 7. Customer Segments, 8. Cost Structure, and 9. Revenue Streams as shown in Figure 6.

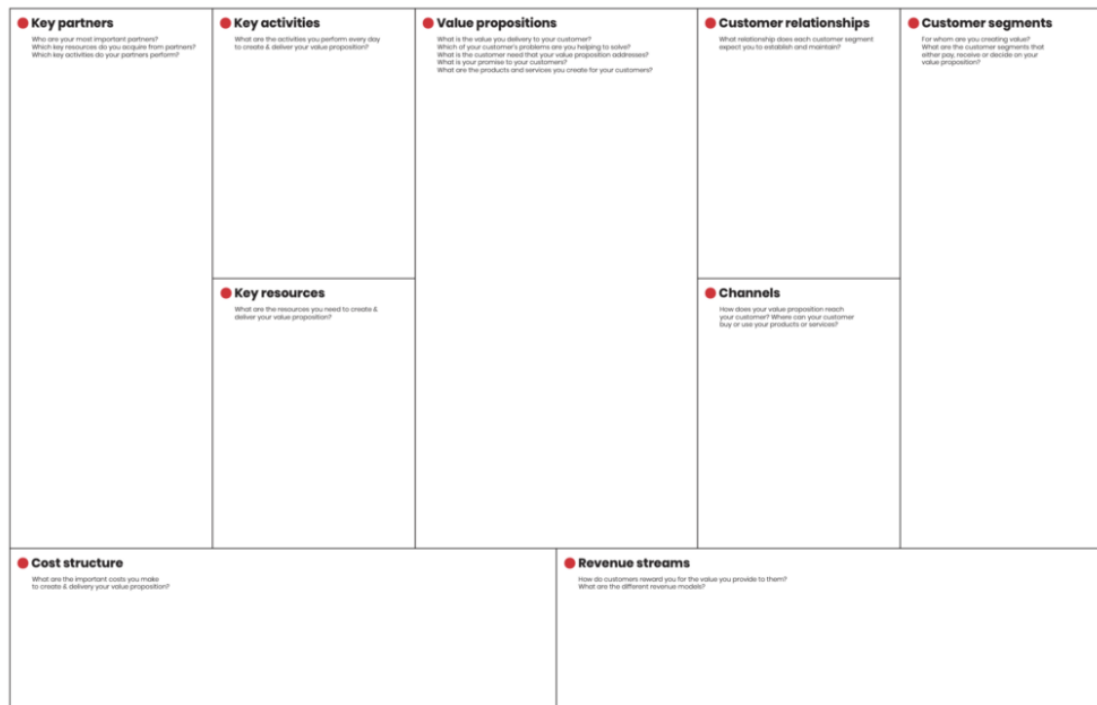


Figure 6 Business Model Canvas (Osterwalder & Pigneur, 2010)

For innovation and documenting of existing BMs, the BMC has become a key organization startup template (Barquet, Cunha, Oliveira, & Rozenfeld, 2011; de Reuver, Bouwman, & Haaker, 2013). We have chosen to use the BMC as an analysis instrument in this research study to compare the two BMI processes before and after the implementation phase in phase 3 of this research study. The BMC helped to present the non-financial status using the nine building blocks of the two participant

companies in a crystal view. It also supported the companies in positioning their actions and doings by exemplifying probable transactions.

Strategyzer AG, a Switzerland company established in 2020, had created a website providing BMI solutions, and guidance on the applications of the BMC. They defined the BMC as "The Business Model Canvas is a useful strategic management and entrepreneurial tool. It allows you to define, design, challenge, invent, and pivot your business model." In more simpler words, the BMC helped breakdown key elements of companies' BMs into the nine blocks and allows the companies to focus and integrate specific areas independently. This in turn leads to disclosure of clear visions and objectives for the transformation processes. It also helps to communicate goals to teams efficiently and effectively, communicate with customers and shows them the reasons they should start trading with you. Lastly, the BMC let entrepreneurs clearly acknowledge objectives of their businesses and most importantly increase the competitiveness and sustainability. Presently, the BMC is widely used by many startup businesses and companies ranked in the Fortune 500.

2.9 Financial Performance

Analyzing financial statements and related areas were motivated by the urge to better understand a company's financial status and performance. For example, previous research studies explored the financial ratios of different companies and industries, found that these financial ratios implicated varying denotations. (Pinches and Mingo 1973, Ferri and Jones 1979, and Marsh 1982). In addition, Gupta and Huefner (1972), Johnson (1979), and Gombola and Getz (1983) evidenced that manufacturing and trading companies would exhibit significantly different financial ratio features. Financial analysis is defined as a standard performance assessment of a company, specifically related to how a company performs financially by utilizing its assets, shareholder equity and liability, and revenue and expenses.

Exploring and evaluating key financial ratios over the last 3 to 5 years is one of the many ways to analyze financial performance. The actual progress and

performance can be measured by comparing the financial ratios on a year-to-year basis. Financial ratios compare two or more financial data usually expressed as percentages (e.g., 62 percent) or as ratios (e.g., 4:1). Since each ratio makes up a small fraction of the company's financial story, cooperatively analysis gives the best results. However, single results alone should not be used for making key operational decisions. It is essential to perform a complete review over a 3 to 5 years timeline for all ratios to reveal important trends.

2.9.1 Financial Performance Ratio Categories

Financial ratios are created to obtain definitive evidence about a company using arithmetical values taken from financial statements. Data from the following three key financial statements – 1. Balance sheet, 2. Income statements and 3. Cash flow statements are usually used to comprehensively analyze the company's liquidity, efficiency, profitability, and more. Instantly, there are two main objectives in financial ratios analysis as follows - 1. To investigate and examine important performance trends of a company by focusing on key financial ratio changes during a specific period. 2. Compare analysis results with benchmarks of other companies in the same industry, explore differences, and justify modifications on operational decisions.

Financial ratios can be systematically categorized into - 1. Liquidity ratios, 2. Efficiency ratios, 3. Profitability ratios, and 4. growth ratios. In this research study, we employed formulas and financial ratios from the book of Intermediate Accounting by Kieso, Weygandt, Warfield (2001) and some data from the Accounting Principles by Weygandt, Kimmel & Kieso (2018) as illustrated in details as follows.

Liquidity Ratios – The liquidity ratios measure a company's capability to meet its financial commitments in normal business situations. In simple words, this ratio shows whether a company can repay its short-term and long-term debts on time. Liquidity ratios comprised the current ratio and quick ratio. We presented the two ratios with their respective formula as follows -

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$$

$$\text{Quick Ratio} = (\text{Current Assets} - \text{Inventories}) / \text{Current Liabilities}$$

Efficiency Ratios - The efficiency ratios measure the effectiveness and efficiency assets and resources utilization of a company. Common efficiency ratios comprised receivables turnover ratio and the inventory turnover ratio. We presented the two ratios with their respective formula as follows -

$$\text{Receivables Turnover Ratio} = \text{Net Sales} / \text{Average Accounts Receivable}$$

$$\text{Inventory Turnover Ratio} = \text{Cost of Goods Sold (COGs)} / \text{Average Inventory}$$

Profitability Ratio - The profitability ratios measure how well a company utilizes its assets to generate profits from business operations. Profitability ratios comprised the operating profit margin ratio, return on assets ratio, and return on equity ratio. We presented the three ratios with their respective formula as follows:

$$\text{Operating Profit Margin Ratio} = \text{Operating Income} / \text{Net Sales}$$

$$\text{Return on Assets Ratio} = \text{Net Income} / \text{Total Assets}$$

$$\text{Return on Equity Ratio} = \text{Net Income} / \text{Shareholder's Equity}$$

Growth Rates – In this particular research, we measured two growth rates: the revenue growth rate and the net profit growth rate. These growth rates were evaluated by deducting the past value from the current value and divide it using the past value. Finally, we multiply the result by 100 to express as a percentage.

2.10 Substantiated Evidence to Proceed with the Research Study

Accordingly, this chapter presented an organized literature review of previous researches, journals, and articles that captured and summarized important theories, concepts, methodologies to compose a detailed description of the content. (Transfeld, Denyer & Palminder, 2003). Topics, subtopics, and seminal and supporting literature are grounded in present-day business problems and

opportunities. The background and the chapters of this research study were highlighted in ten key sections 1. Foreign Direct Investment, 2. Environmental Dimension, 3. Business Strategy Emphasis, 4. Cross-Cultural Competence, 5. Business Model (BM), 6. BMI, 7. BMI Process, 8. The Cambridge Business Model Innovation Process, 9. The Business Canvas Model, and 10. Financial Performance. This chapter traced the theories, concepts, and definitions, which helped generate the business problem and research questions. We explained the topics and sub-topics separately to expose their content depth and reveal the interrelations. Finally, this chapter produced a clear and convincing evidence to proceed with the research study. Previously explained, conclusions and future research suggestions from Schneider and Spieth (2013), Spieth et al. (2014), Eurich et al. (2014), Carayannis et al. (2015), and Cortimiglia et al. (2015) stated that new research should be further concentrated and explored in the BMI area. The following direct quotations by Schneider and Spieth, 2013 explicate future research opportunities and business problems.

“We, therefore, elaborate on these avenues for future research and encourage contributions that address the business model innovation theme and provide new insights into interdependencies between constituent sources for business model innovation, investigate its enabling conditions and organizational processes, and shed new lights on its effects for company performance and competitive capabilities” (Spieth et al., 2014). In establishing a powerful position and redefining the competitive space, an innovative business model is a likely source of sustainable advantage (Eurich et al., 2014).

“The study can be extended to a series of comparative case studies that could provide insights in potential patterns and processes that would allow us to conduct further research in this area by qualitative and quantitative means. That is, the case studies could be complemented and extended via surveys and semi-structured interviews” (Carayannis et al., 2015).

Chapter 3, which follows, presented the research methodology that comprised research design and settings, instrumentation and measures, data collection, data analysis, and ethical considerations.



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CHAPTER 3

METHODOLOGY

Chapter 3 presented the research methodology as an organized, hypothetical investigation of the approaches and methods applied to this research study. It included research design on methods used for data gathering and analysis. By presenting the research methodologies, we pursued to inform the following issues – 1. Why we started a research study? How had the research objectives been fulfilled? 2. How and why we formulated the hypothesis? 3. What kind of data is collected, and what particular method was adopted? 4. What kind of unique techniques was employed to analyze the data? The main objective is to illuminate the procedures of this research study and define it as studying methods by which others can understand easily and gain knowledge.

3.1 Data Collection

The data collection of this research study used two primary data collection methods as follows – 1. A questionnaire survey distributed to all participants (Quantitative Research Method), and 2. An online focus group discussion (Qualitative Research Method) was held with impactive participants (Top management of participant Chinese corporations). Other primary data collected included in-house financial statements, data documented during all workshop sessions, and data acquired through discussions in the final phase of this research study using the Business Model Canvas. Secondary data collection sources in this research study included literature reviews from both printed and electric media, such as published articles, journals, and books.

The questionnaire survey of this research study consisted of two sections with a total of ninety-four questions. In the first section, there are six questions regarding the basic information of the participant Chinese corporations. The second section comprised eighty-eight questions divided into four main categories – 1. ESDZ



environmental dimensions, 2. Business strategy emphasis, 3. Cross-cultural competence, and 4. Business performance. The Content Validity Index (CVI) (Waltz and Bausell, 1983) was used to inspect the instrument. Five experts from related specialized fields were explicitly chosen to inspect each item based on significance, simplicity, straightforwardness, and uncertainty. We then analyzed the results of the CVI scale. Items with a CVI scale of over .750 remained, while others were modified based on experts' suggestions. The questionnaire surveys were distributed using media applications such as line application, WeChat application, emails, and monkey survey via the following link <https://www.surveymonkey.com/r/GXDQV2Q>. The questionnaire survey results were then collected by those media mentioned above and proceed to analyze accordingly.

Before the actual distribution of the questionnaire surveys, a pre-test of 20 samples was first tried out and collected. This pre-test was conducted as observations to measure the reliability and consistency of the responses collected using this instrument. We calculated the reliability value using Cronbach's alpha to ensure internal consistency within the items (George & Mallery, 2003). Conferring to the pre-test, we measured Cronbach's Alpha (Taber, 2018, Yanyun & Green, 2011) at .905. We then performed the actual distribution of the questionnaire survey. The latent variables' internal consistency coefficients were again measured, and we recorded Cronbach's Alpha at .975. Hence, we accepted the significant relationships and high internal consistency coefficients between variables as signifiers of sufficiency for SEM and path model analysis.

After collecting the questionnaire surveys, we performed analysis of the results accordingly. First, we separated the 400 samples collected into the high and low business performance groups and high and low cross-cultural competence groups. We had reviewed that for the grouping of the high and low business performance groups, “the appropriateness of the performance measure to use may depend on the circumstances unique to the study” (Ferdows K & A., 1990; Montagno, Ahmed, & Firenze, 1996; Zahra S & Neubaum D, 1996). As a result, two groups were established – 1. Chinese corporations with increases in profits in two successive years were considered high business performers. Otherwise, they were considered low



business performers. High business performers accounted for 288 respondents, while the low business performers category included 112 respondents (Badri, Davis, & Davis, 2000; Bücken, Furrer, & Lin, 2015).

For the high and low cross-cultural competence groups, a Culture Intelligence (CQ) Test was distributed to all participants with the questionnaire survey for the purpose of this grouping. The CQ Test was used to measure the CQ of the top management of Chinese corporations. Generally, an average of less than 3 would indicate an area calling for improvement, while an average of greater than 4.5 reflects true CQ strength (Wilson & Cousins, 2005). Hence, we grouped scores with an average of 4.5 to the high cross-cultural competence group and the remaining to the low cross-cultural competence group. As a result, we accounted for 285 high cross-cultural respondents and 125 low cross-cultural respondents.

Second, the Structural Equation Model (SEM) was used to explore the causal relationships among the latent variables, the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and the impact of these factors on the business performance of Chinese corporations in the ESDZ of Thailand. Furthermore, the SEM provided a method for developing direct relationships within the model and verifying the model's structure. Accordingly, we employed covariance structure analysis to test the fit of the representative models for all participants' performance. In addition, we continued to estimate the direct and indirect effects of all the above-mentioned latent variables. The analyses were carried out via IBM SPSS 24 (SPSS, 2019) and IBM SPSS AMOS 22 (Arbuckle, 1994) software.

Alternatively, we had conducted an online focus group discussion (Kite & Phongsavan, 2017; Murgado-Armenteros, Torres-Ruiz, & Vega-Zamora, 2012) parallel to the quantitative research method mentioned above. We had included an online focus group discussion because we desired an in-depth analysis of the crucial factors that affect the business performance of Chinese corporations in the ESDZ of Thailand. The results were used to compare and contrast with the results collected using the questionnaire surveys to obtain an interpretive framework of both research methods. The online focus group discussion in this research study consisted of six top

management executives of Chinese corporations in the ESDZ of Thailand. We used the purposive sampling method to choose these six Chinese corporation participants to obtain and preserve their specific characteristics (Etikan, 2016) (Refer to Table 11).

Table 11 Participants' Characteristics in Focus Group Discussion

Chinese Corporation Participants' Characteristics					
Name	Common Characteristics	High Performance	Low Performance	High Cross-Cultural Competence	Low Cross-Cultural Competence
Company 1	1. Top management executives from leading Chinese corporations in		√		√
Company 2	major industries in the Eastern Special		√		√
Company 3	Development Zone (ESDZ) of Thailand –		√	√	
Company 4	Chonburi, Rayong, and Chachoengsao Province.	√		√	
Company 5	2. Falls into the following main industry categories, namely next-generation automotive, energy	√		√	
Company 6	solutions, logistics, smart electronics, agriculture and biotechnology, and food for the future.	√			√

After the initial preparations, we informed each participant of the date and time of the online focus group discussion. This online focus group discussion was held on the 28th March 2020 at 13.00 hours using Wechat Application, version 2.6.3.200, a social media application widely used in Thailand. The total time consumed for this focus group discussion was approximately 90 minutes, was audio and video recorded in the form of video clips in .mp4 format, and then transcribed and analyzed (Bailey, 2008).

Following the data collection and result analysis in phase 1 of this research study, we proceeded to phase 2 for the development of an integrated BMI process. In phase 2 of this research study, raw data from scheduled workshop sessions were collected and documented accordingly, following strictly to procedures in the concept design and detail design phases of both BMI processes. In phase 3 of this research study, we collected in-house financial statements of both companies before and after the implementation phases of both BMI processes. At the same time, the BMCs were used to record the non-financial status of both companies. Both the in-house financial statements and the BMCs were used to compare the business performance of the participants employing different BMI processes during the implementation period.

3.2 Research Samplings

Research sampling is the measurement of representatives taken from a larger population to ensure the generalization of the result findings to the population. In the first phase of this research study, we gathered information on the concerns, behaviors, and activities of Chinese corporates in the ESDZ. Questionnaire surveys were distributed using emails, mobile applications, Monkey Survey online application, and post to top executives of the participating Chinese corporations. Informants' titles were emphasized to be the managing director or other top management positions, indicating a high level of responsibility and the capability to make crucial decisions. These top managements should be the ones that make the most and the main business strategic decisions and have the ultimate power to manipulate the organization's culture. We have proposed 400 Chinese corporations as the samples of this research study, selected using a random sampling method, which represented the total population of approximately 5000 Chinese corporations in the ESDZ of Thailand at the present moment. These corporations are mainly medium to large-sized Chinese corporations and were subjected to the following criteria -

1. Chinese corporations are located in the three following provinces: Chonburi, Rayong, and Chachoengsao Province (ESDZ of Thailand).



2. Chinese shareholders hold at least 10% shares of the company.

3. Categorized in any of the following industries – 1. Next-generation automotive, 2. Energy solutions, 3. Logistics, 4. Smart electronics, 5. Agriculture and biotechnology, and 6. Food for the future.

Although the determination of appropriate sample size is a critical issue in SEM, there is no consensus in the literature regarding the right sample size for a particular SEM. Some evidence showed that simple SEM models could be meaningfully tested even if the sample size is relatively small (Hoyle, 1999, Hoyle and Kenny, 1999, Marsh and Hau, 1999), but generally, $N = 100-150$ is employed as the minimum sample size for using SEM (Anderson and Gerbing, 1988, Tinsley and Tinsley, 1987, Ding, Velicer, and Harlow, 1995, Tabachnick and Fidell, 2001). Various researchers use an even larger sample size for SEM, for example, $N = 200$ (Hoogland and Boomsma 1998, Boomsma and Hoogland, 2001, Kline, 2005). Simulation studies showed that with normally distributed indicator variables and no missing data, a rational sample size for a simple CFA model is approximately $N = 150$ (Muthén and Muthén, 2002). For multi-group modeling, the guideline is approximately 100 cases/observations per group (Kline, 2005). Hence, in this research, we proposed a sample of 400 for the quantitative research method, which is adequate for the SEM analysis to be significant at a 95% confidence level.

Let us continue with the components of the samplings and sampling methods used in the online focus group discussion in this research study. An online focus group discussion involves gathering people from similar backgrounds or experiences to discuss a specific topic of interest. Focus groups provide insights into how the participants think and provide a deeper understanding of the studied phenomena. In this research study, our main objective in using an online focus group discussion as a data collection method is to obtain in-depth information of the participants' perceptions, attitudes, beliefs, opinions, or ideas. We had organized this focus group discussion online due to the recent COVID-19 pandemic situations in Thailand. This online focus group discussion consisted of 6 participants, selected using a purposive sampling method to obtain and maintain these participants' specific



characteristics. A purposive sampling method is a non-probability sampling method that selects samplings based on the characteristics of a population and the objective of the study. These Chinese corporation participants selected were subjected to similar criteria as the participants in the quantitative research method as follows:

1. Chinese corporations are located in the three following provinces: Chonburi, Rayong, and Chachoengsao Province (ESDZ of Thailand).
2. Chinese shareholders hold at least 10% shares of the company.
3. Categorized in any of the following industries – 1. Next-generation automotive, 2. Energy solutions, 3. Logistics, 4. Smart electronics, 5. Agriculture and biotechnology, and 6. Food for the future.

In the second and final phases of this research study, we had proposed two Chinese corporations participants as our key samples. These two samples were chosen using the purposive sampling method to obtain and maintain the samples' specific characteristics, similar to the selection method used in the online focus group discussion mentioned above.

3.3 Scale Reliability and Construct Validity

Scientific research must meet two requisites: 1. reliability and 2. validity. Reliability is defined as consistency in results from repeated measurements (Glasser et al., 1990). Validity is defined as the precision of the result; precision is defined as the minimal difference between the observed and expected value (Cronbach & Meehl, 1955, Messick, 1989).

In this research study, the questionnaire survey was designed based on a five-point Likert scale. First, in Part A of the questionnaire survey, twenty-five questions were associated with the latent variable ESDZ environmental dimensions. These questions were integrated into four observable variables as follows – 1. Business cost promotions in ESDZ, 2. Labor maturity in ESDZ, 3. Competitive hostility in ESDZ, and 4. Environmental dynamism in ESDZ. The participants were

asked to indicate the degree to which these factors are a current concern to their companies, from “Very Unimportant” (Scale 1) to “Very Important” (Scale 5) and “Slow” (Scale 1) to “Rapid” (Scale 5).

Part B of the questionnaire survey comprised a total of seventeen questions associated with the latent variable business strategy emphasis. Participants were asked to consider the degree of emphasis, from “No Emphasis” (Scale 1) to “Extreme Emphasis” (Scale 5), that the company plans to place on each of the business strategy emphasis priorities. Similarly, according to four observable variables, the questions are arranged as follows – 1. Cost business emphasis, 2. Quality business emphasis, 3. Delivery business emphasis, and 4. Flexibility in the business strategy.

Part C of the questionnaire survey comprised thirty-six questions associated with the latent variable cross-cultural competence. These questions can be subcategorized into twenty-four questions associated with cross-cultures (Geert Hofstede, 2011) and twelve questions associated with cross-cultural competence (Earley & Ang, 2007). Participants who are top management of Chinese corporations were asked to indicate the degree to which they understand and agree upon cross-cultural competence associated questions, from “Strongly Disagree” (Scale 1) To “Strongly Agree” (Scale 5). The six observable variables associated with the cross-cultural aspect in this section of the questionnaire survey are Power Distance (PDI), Individualism versus Collectivism (IDV), Uncertainty Avoidance Index (UAI), Masculinity versus Femininity (MAS), Long-Term Orientation versus Short-Term Orientation (LTO) and Indulgence versus Restraint (IND) which are the six main cross-cultural dimensions of Hofstede (2011). Another three observable variables associated with cross-cultural competence are cognitive culture intelligence, physical culture intelligence, and emotional culture intelligence of Earley and Ang (2007).

Part D of the questionnaire survey consisted of ten questions associated with the latent variable business performance. Participants were asked to answer these questions according to the financial status of their companies. These questions are associated with four observable variables as follows – 1. Liquidity indicators, 2. Efficiency indicators, 3. Profitability indicators, and 4. Growth rate. This part of the



questionnaire survey is validated with original financial statements submitted to the Ministry of Commerce, Thailand.

Accordingly, we had confirmed the reliability and validity of this research study as follows - 1. The reliability of the questionnaire survey was tested using the Bartlette's Test, which resulted in a significance of .000 as shown in Table 12 below. 2. The results' reliability was demonstrated in the previous section; Cronbach's Alpha was measured at .975 (Refer to Table 12). 3. The content validity was also measured using the Content Validity Index (CVI) (Waltz & Bausell, 1983) at a reading of greater than .750.

Table 12 KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.935
Bartlett's Test of Sphericity	Approx. Chi-Square	10887.688
	df	210
	Sig.	.000

3.4 Research Design

This research study is an applied research that focuses on practical benefits, which differs from pure research that focuses on creating new knowledge. Applied research aims to answer an immediate problem within a society or an industrial/business organization, whereas fundamental research is mainly related to generalizations and the formulation of a theory (Kothari, 2008). In business research, applied research is considered a non-systematic inquiry, and it is usually launched by a company, agency, or individual to address a specific problem (Bajpai, 2011). This research study was designed with three main research phases. Using mixed research methods (quantitative and qualitative research methods) makes this research a

concrete, practical benefit for future research and key stakeholders, directly and indirectly, related to this research study.

The quantitative research method was used in the first phase of this research study. The only instrument used was a questionnaire survey for the data collection in this part of the first phase of this research study. A qualitative research method in the proceeds of an online focus group discussion was used in the first phase of this research study in line with the questionnaire survey mentioned above. From the two research methods mentioned above, which involve both quantitative and qualitative research methods in the first phase of this research study, we proposed a parallel database research design as shown in Figure 7 below.

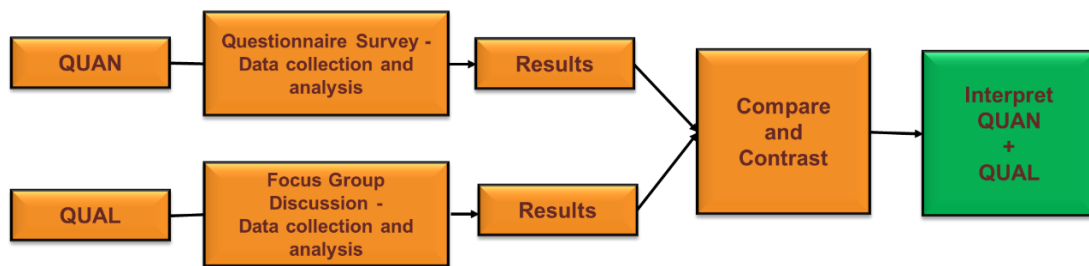


Figure 7 Parallel Database Research Design

This research study was carried out using the convergent parallel design or parallel database research design, a mixed-methods design, to gain an in-depth understanding of the field of this research study. The research study processes can be implied as qualitative and quantitative (QUAL+QUAN, Morse, 1991). A convergent parallel design or parallel database research design required that we concurrently conducted the quantitative and qualitative fundamentals in the same phase (phase 1) of the research processes, evaluates the methods correspondingly, examines the two components independently, and interprets the results as an interpretive framework as shown in Figure 7 (Creswell & Pablo-Clark, 2011).

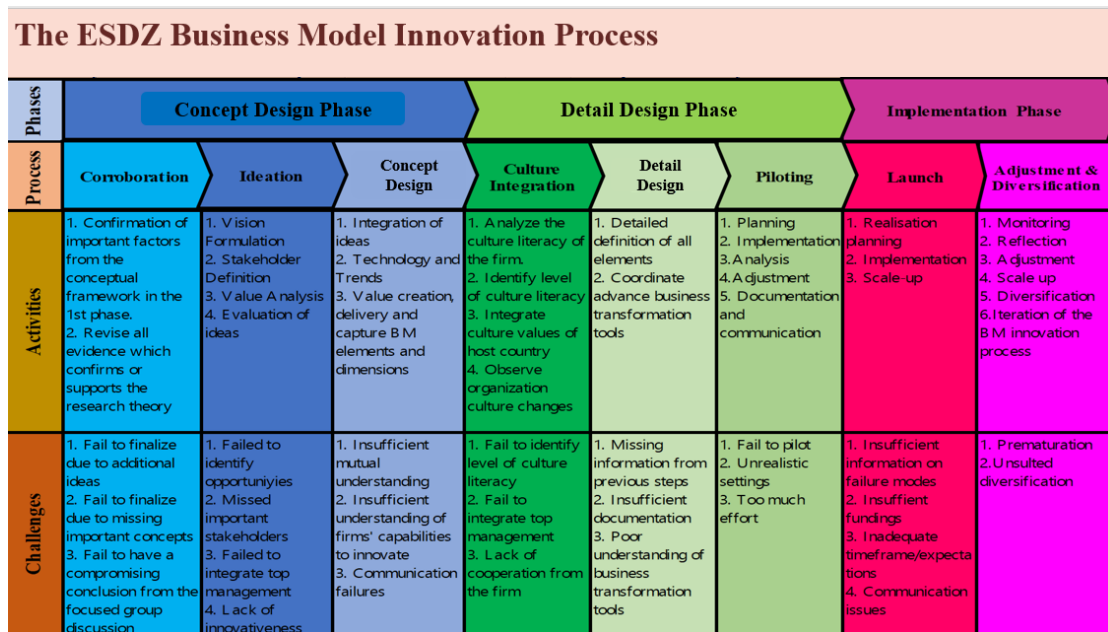


Figure 8 ESDZ Business Model Innovation Process Framework

The second phase of this research study involved the execution of the concept design and detail design phases of the CBMIP and EBMIP, as shown in Figure 8. For the execution of the concept design and detail design phases of the CBMIP, we strictly followed the six processes as follows – 1. Ideation, 2. Concept design, 3. Virtual prototyping, 4. Experimenting, 5. Detail design, and 6. Piloting (Refer to Figure 8). These processes were executed through eight workshop sessions scheduled at a frequency of one workshop session per week and lasted for a duration of eight weeks.

For the execution of the concept design and detail design phases of the EBMIP, we had adjusted and designed the EBMIP according to the fundamentals of the CBMIP. Most importantly, we had designed two new processes – 1. Corroboration and 2. Culture integrated process in the EBMIP. In addition, we had eliminated the virtual prototyping and experimenting processes. As a result, the concept and design phases of the EBMIP consisted of six processes as follows – 1. Corroboration, 2. Ideation, 3. Concept design, 4. Culture integration, 5. Detail design and 6. Piloting (Refer to Figure 9). These processes were executed through eight workshop sessions scheduled at a frequency of one workshop session per week and

lasted for a duration of eight weeks. Furthermore, we had scheduled two additional hours of cultural integration courses in each of the eight workshop sessions. These two additional hours of cultural integration courses involved learning the Chinese language and culture to enhance cross-cultural knowledge for the company's employees and interviews with Chinese top management to help them understand various cross-cultural barriers that they are facing.

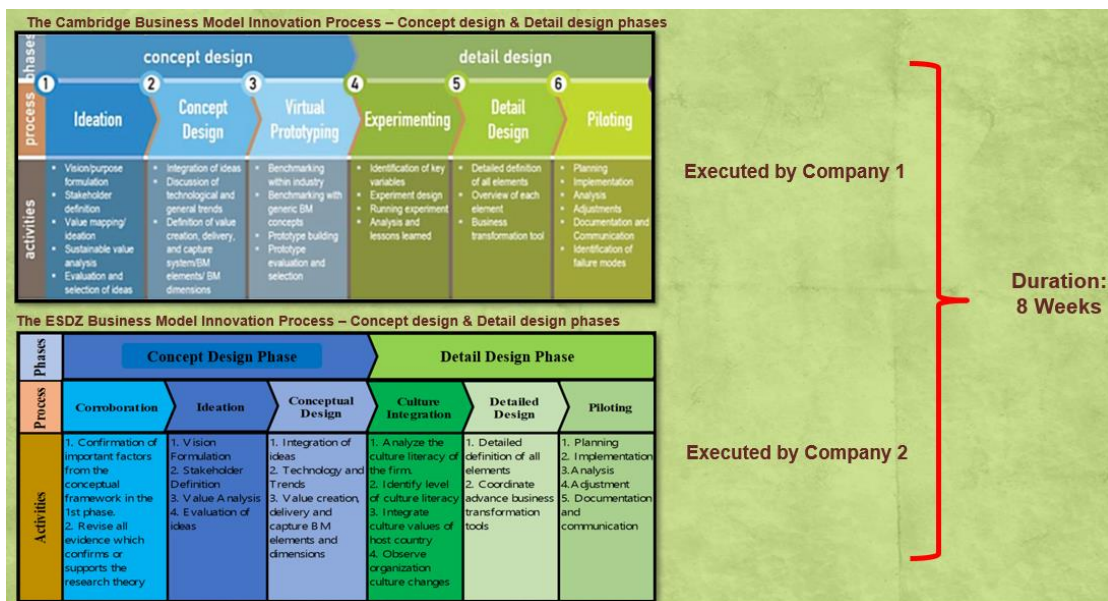


Figure 9 Execution of Concept Design and Detail Design Phases

The following section presented the key activities and procedures of the execution of the concept design and detail design phases of the CBMIP and the EBMIP as follows -

1. Concept Design Phase - CBMIP

The concept design phase of the CBMIP comprised three main processes - 1. Ideation, 2. Concept design, and 3. Visual prototyping. First, in the ideation process, we implied a vision formulation for the Chinese corporation participants, which helped identify key stakeholders, core business values, and new ideas that business operation needs through interviews and workshop session discussions with

the Chinese corporation's top management. We integrated newly created ideas, core business values, and other vital elements into the concept design process. This process was the same as the concept design phase in the EBMIP. In the virtual prototyping stage, activities involved discussions on industrial benchmarking, BM concepts, and prototyping evaluations. The piloting process involved planning, launching, analyzing, adjusting, documenting, and identifying failure modes before the actual implementation phase was launched.

2. Detail Design Phase - CBMIP

The detail design phase of the CBMIP comprised three main processes - 1. Experimenting, 2. Detail design, and 3. Piloting. First, the experimenting process involved identifying key variables, experimental designing and testing, and analysis and documentation of lessons learned. The detail design process involved confirmation and definitions of all crucial elements and the use of advanced business modeling tools. The piloting process involved planning, testing, analysis, adjustments, and identifying failure modes before the actual implementation phase was launched. However, due to the limited resources and time frame, the participants agreed to limited activities in this phase.

3. Concept Design Phase - EBMIP

The concept design phase of the EBMIP comprised three main processes - 1. Corroboration, 2. Ideation, and 3. Concept design. First, all essential dimensions from the first phase of this research study were revised, confirmed, and finalized in the corroboration process. These dimensions provided a foundation of the critical issues for interviews, discussions, and workshop sessions. We implied vision formulation for the Chinese corporation participants in the ideation process, which helped identify key stakeholders, core business values, and new ideas that business operation needs through interviews and workshop session discussions with top management of the Chinese corporation. We integrated newly created ideas, core business values, and other vital elements into the concept design process. The ideation and concept design processes in the EBMIP were similar to that of the

CBMIP framework. The main differences were the additional corroboration stage aligned before these two stages in the concept design phase of the EBMIP. Besides, we had eliminated the virtual prototyping and experimenting processes adapting to the discussions and suggestions made by the Chinese corporation participant's top management. (Refer to Figure 5 and Figure 8)

4. Detail Design Phase - ESDZ Business Model Innovation Process

The detail design phase of the EBMIP comprised three main processes - 1. Culture integration, 2. Detail design, and 3. Piloting. First, the culture integration process involved intensive cross-cultural competence analysis of the Chinese corporation participant, such as identifying the level of cross-cultural literacy, enhancing cross-cultural knowledge, and fundamental differences across cultures through eight workshop sessions that lasted for eight weeks (one session scheduled per week). These workshop sessions included Chinese language and culture training for employees holding important positions in the company and discussions on related cross-cultural issues with the top management, who are all Chinese expatriates. Observations through these workshop sessions showed that they helped improve the employees' and top management's cross-cultural knowledge. The main objectives are to narrow the culture gap and minimize cultural barriers among the two cultures, enhancing efficiency and effectiveness in daily business operations. Second, the detail design process involved confirmation of all crucial elements with advanced business modeling tools. Several business modeling tools, such as the business model canvas, value propositions canvas, the progress board, were used during workshop sessions to enhance the integration process. Finally, the piloting process was designed for a limited version test run of the actual implementation phase. However, due to the limited resources and time frame, the participants agreed to limited activities in this phase as in the CBMIP. The activities involved in this stage were identifying all key elements, experimental designing and testing, analysis and documentation of lessons learned, planning, adjustments, and identification of failure modes before the actual implementation phase was launched. These steps were considerably repeated, and the finalized implementation plan was carefully checked to ensure smooth operations when executing the actual implementation phase.



The third phase of this research study involved the implementation phase of both the CBMIP and the EBMIP. The result findings in all three phases of this research study were employed to answer the research questions, research hypothesis and make discussions and conclusions. In order to identify significant changes or trends in the business performance of both the Chinese corporation participants, we had employed a 2-factor pretest-posttest between subject quasi-experimental design with two different interventions (CBMIP and EBMIP) each for one Chinese corporation participant, as shown in Figure 10 below. The between-subject approach can include more than one treatment or intervention and does not always include a control group. Shadish et al. (2002) refer to this design as an alternative or multiple-treatment design. In this research study, as shown in Figure 10, the two Chinese corporation participants took a pretest O₁. We used the BMC to record the non-financial status of the company on the one hand, and on the other, we measured the financial status by analyzing the in-house financial statements. After the pre-tests, Company 1 went through the allocated treatment - CBMIP and Company 2 - EBMIP. Finally, a post-test O₂ was taken to measure the companies' non-financial and financial status after the treatments.

2-Factor Pretest Posttest Between Subject Quasi-Experimental Design			
Company	Pretest	Treatment	Posttest
1	O ₁	Cambridge Business Model Innovation Process	O ₂
2	O ₁	ESDZ Business Model Innovation Process	O ₂
Time ► 3 Months (Implementation Phase Only)			

Figure 10 2-Factor Pretest Posttest Between Subject Quasi-Experimental Design

Following this research design section, we would like to present the flowcharts of the three main phases of this research, as shown in Figures 11, 12, and 13. The ethical aspects and a projected timeline framework were included at the end of this research study chapter.

3.5 Research Flowchart

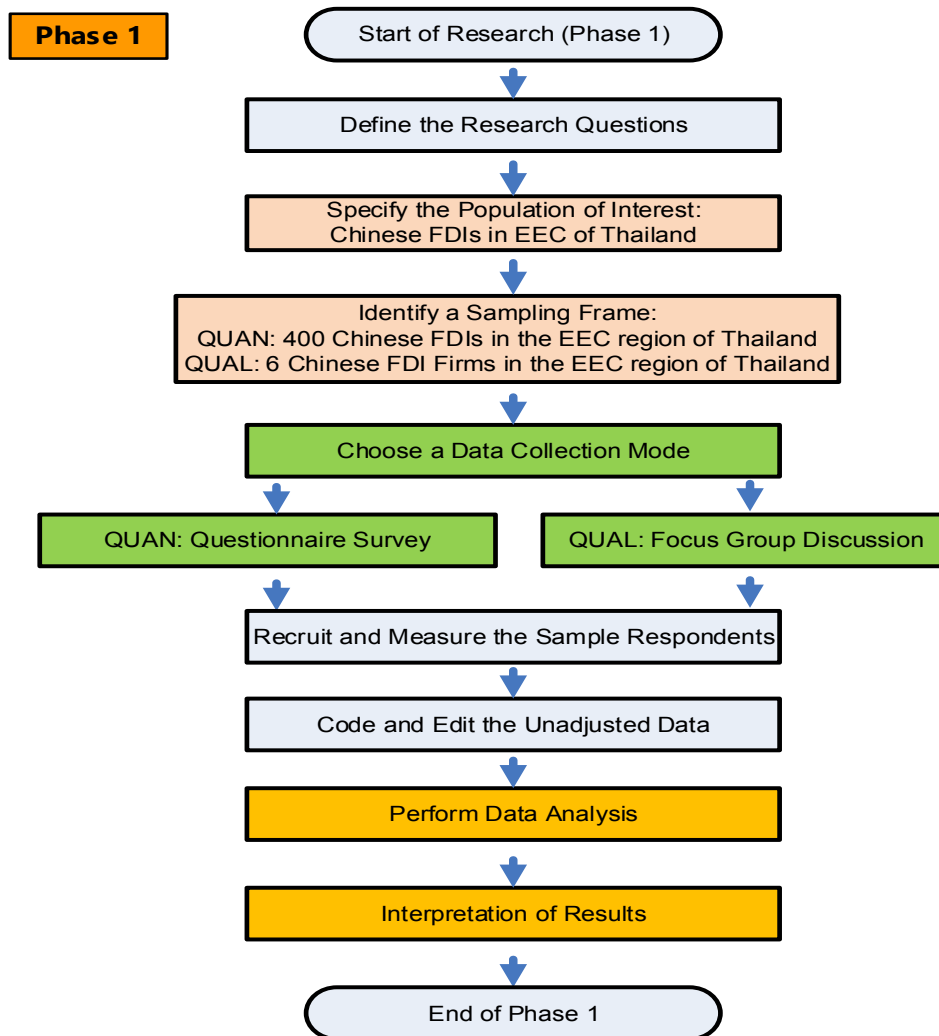


Figure 11 Research Phase 1 Flowchart

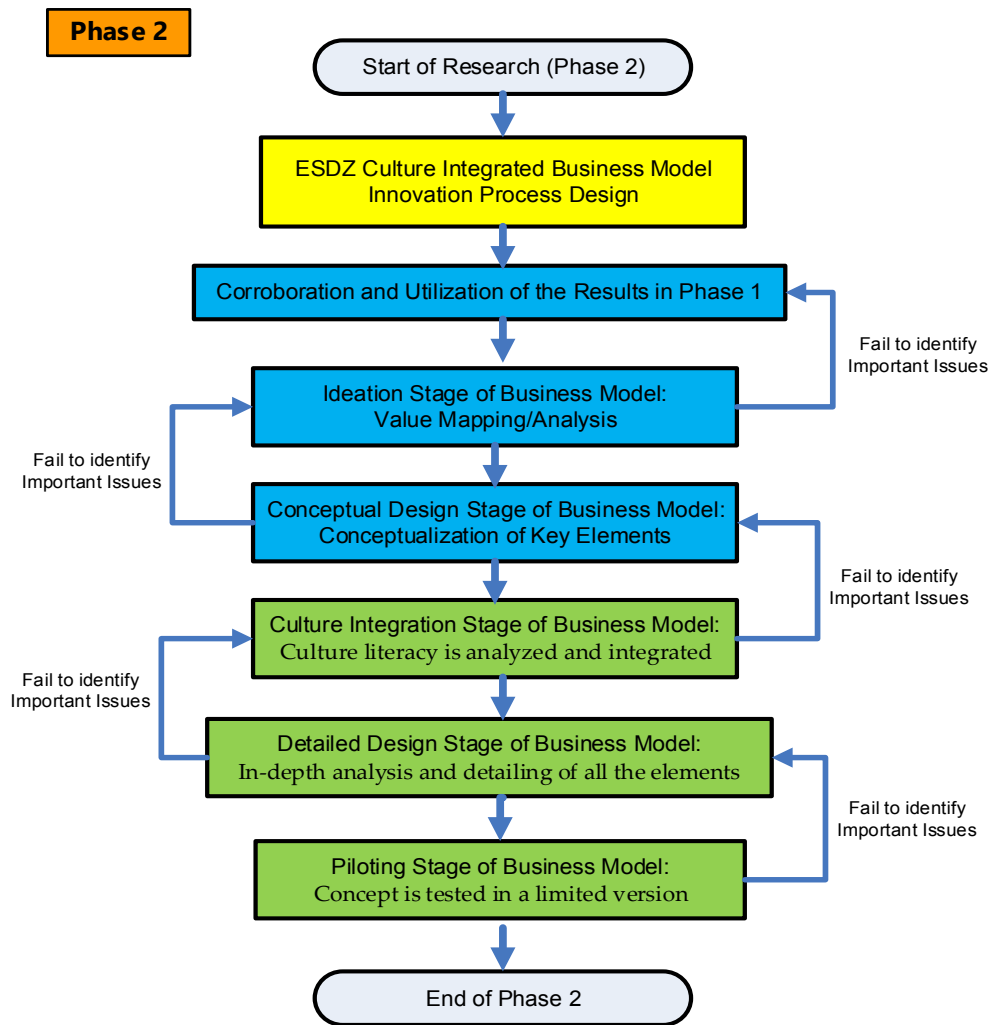


Figure 12 Research Phase 2 Flowchart

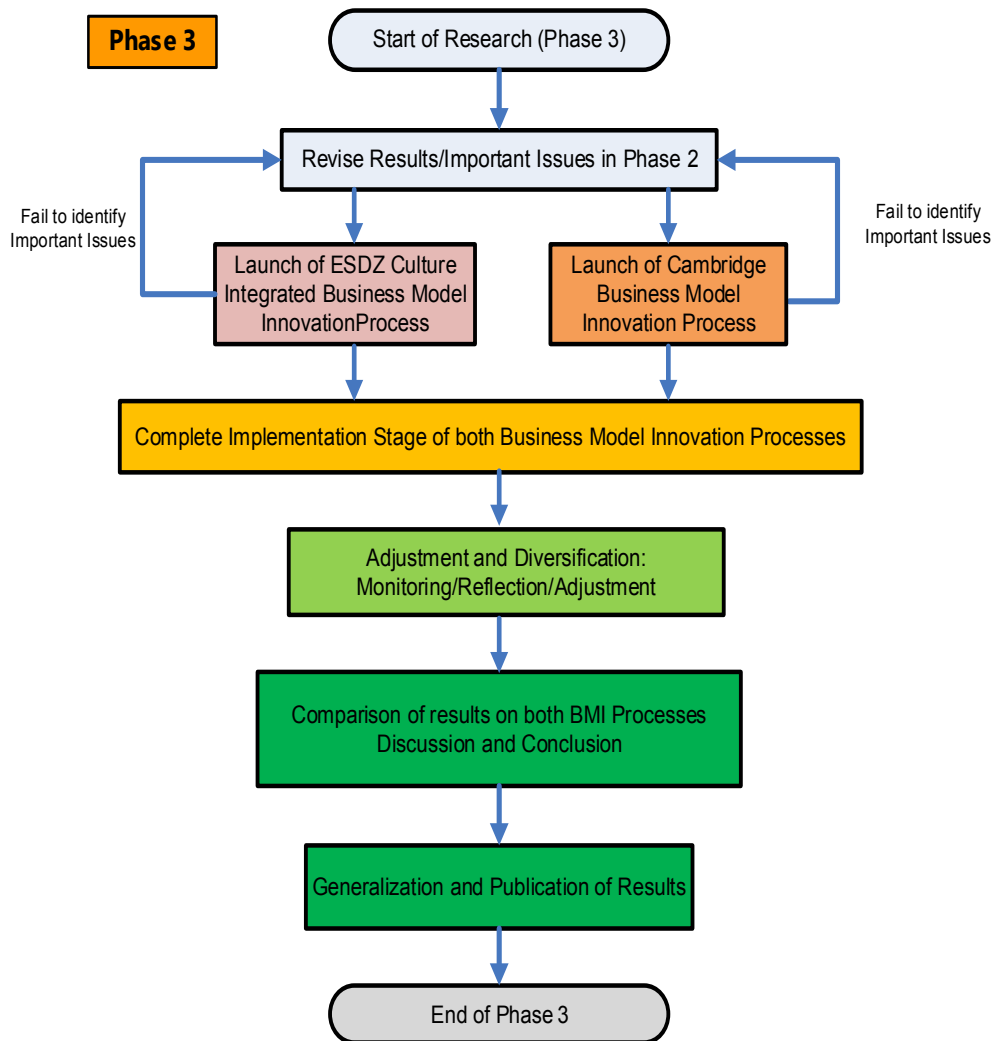


Figure 13 Research Phase 3 Flowchart

3.6 Ethical Aspects

Doing ethical research is an essentially important part of academic educational practice. Accordingly, the Ethics Committee approved this research's ethical aspects, which comprised features related to research with human participants of the College of Research Methodology and Cognitive Science, Burapha University, on the 5th of November, 2019 (Ref. No 042/2562). These included several crucial issues as follows - minimizing the risk of harm, obtaining informed consent, protecting anonymity and confidentiality, avoiding deceptive practices, and providing the right to withdraw.

3.7 Research Timeline Framework

After the final presentation of the instructions, details, and procedures of the three main research phases, we continued to present the estimated research timeline framework for this research study, as shown in Figure 14 below. This estimated research timeline framework illustrates the period occupied by important events during this research study, to name a few here, such as the CVI Questionnaire Survey Evaluation Check, Sample List Concompanyation, starting date of the questionnaire distribution, starting date of the second and third phase of this research study and so for. This estimated research timeline framework also demonstrated the three research goals associated with the three main phases of this research study. Each goal's procedures are also illustrated in a more simplified manner with a “goal-procedures-objective” content, as shown in Figure 14 below.

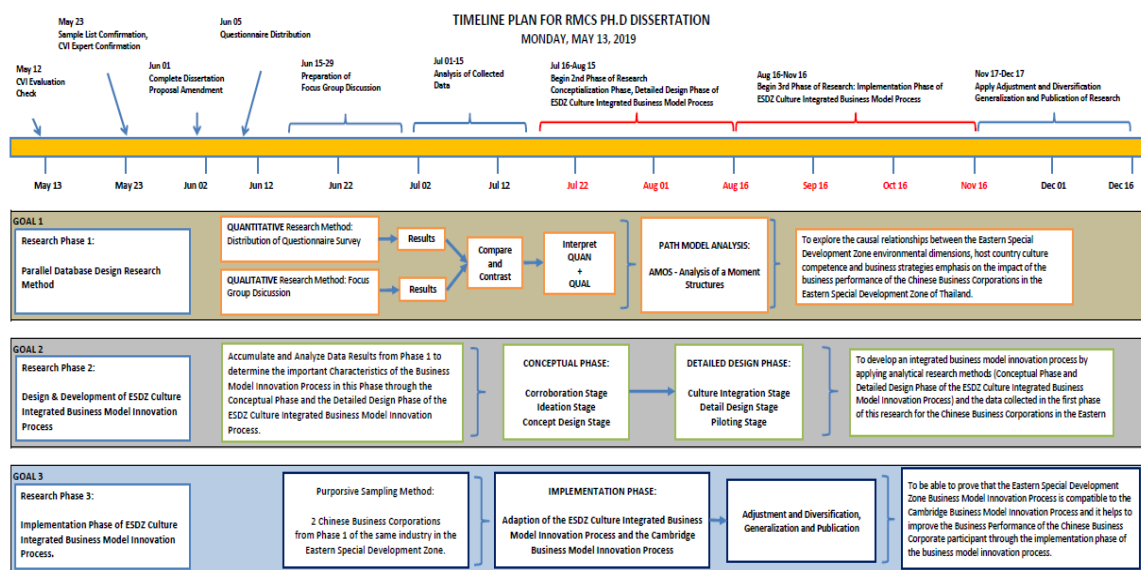


Figure 14 Estimated Research Timeline Framework

However, we would like to note here that the expected timeline was adjusted due to the COVID-19 epidemic situation in Thailand and worldwide when carrying out crucial procedures in this research study. Fortunately, we were able to perform the necessary procedures in data collection, and the two participants in the final phase were very supportive and cooperative with all scheduled activities. Hence, the

completion of all data collection and scheduled workshops was postponed approximately six months later from the timeline stated in Figure 14.



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CHAPTER 4

RESULTS

4.1 Chapter Overview

"Empirical evidence or results includes measurements or data collected through direct observation or experimentation," said Jaime Tanner, a biology professor at Marlboro College in Vermont. This research study used qualitative and quantitative research methods that molded a parallel database research design. This research is about designing and implementation a BMI process. The expected result findings are beneficial to FDIs to increase their business competitiveness and sustainability in Thailand. Notably, we have chosen to explore the Chinese FDIs in this research study because of the present investment situation mentioned in earlier chapters. In this chapter, we presented – 1. Phase 1 result findings (both quantitative and qualitative) 2. Illustrated the execution processes of the concept and design phases of both the CBMIP and EBMIP in phase 2 and 3. Phase 3 result findings that involved the implementation phases of both the CBMIP and EBMIP, respectively in the following sections.

4.2 Result Analysis and Findings: Phase 1

This section presented the results for both the quantitative and qualitative research methods used in this research study. First, we had used a questionnaire survey for our data collection process for the quantitative research method. We had a total sampling of 400 samples that are Chinese corporations located in the ESDZ of Thailand. The primary characteristics of these samples were illustrated in early chapters (Refer to research samplings). We used a random sampling method for choosing the sampling participants. After the data were collected from the field, we conducted an appropriate examination of the data for reliability and missing data handling to prepare the SME and path analysis model. Second, we had employed an online focus group discussion for our data collection process for the qualitative



research method. We chose six impactful top management from six Chinese corporations in the ESDZ of Thailand as samples in this online focus group discussion. We used a purposive sampling method to maintain the specific characteristics of these samplings. All data were recorded and documented from the discussion, and the transcripts were then translated, analyzed, and presented in the following section.

4.2.1 Quantitative Result Analysis

After collecting the results from the questionnaire surveys (Brace, 2004; Malhotra, 2006), the results were analyzed using both the SEM (Schumacker & Lomax, 2016) and path analysis model (Klem, 1995). Our main objectives were to explore the causal relationships between the ESDZ environmental dimension, cross-cultural competence, business strategy emphasis, and their impact on the business performance of Chinese corporations in the ESDZ of Thailand. We also desired to compare the different business strategies emphasized by these Chinese corporations in the ESDZ of Thailand between high and low business performance groups and high and low cross-cultural competence groups. SME and path analysis are methods for developing direct relationships within a model and verifying its structure. SEM and path analysis are also advanced statistical techniques for examining dependent and independent variables to reveal each variable's relative effects on the model's other variables (Schumacker & Lomax, 2016). The difference between path analysis and SEM is that a path analysis contains only observed variables and has a more restrictive set of assumptions than SEM. The key difference between the two types of models is that path analysis assumes that all variables are measured without error, while SEM uses latent variables to account for measurement errors (Grapentine, 2000).

Steps in conducting SEM involved model specification, model identification, model estimation, model testing, and model modification. SEM combines measurement models (CFA) with structural models (Path Models) using latent variables. Once the measurement models for both latent independent and dependent variables yield good data to model fit, the latent variables' relations are



tested in the structural model. The structural model tests the parameter estimates in the structural equations for statistical significance. The SEM modeling steps generally occur as outlined in the following five basic steps (Byrne, 2013; Hoyle, 1999; Kline, 2011):

1. **Model Specification:** This step involves utilizing the reviewed theory and information to develop a theoretical model. Before any data collection or analysis, we specified a particular model confirmed using variance-covariance data. In other words, available information is used to decide which variables to include in the theoretical model and how they are related. Model specification involves determining every relationship and parameter in the model that is of interest to us.

2. **Model Identification:** The model is then identified if the degree of freedom is equal or greater than one. Conventionally, there are three levels of model identification, and it depends on the amount of information in the sample variance-covariance matrix S necessary for uniquely estimating the parameters of the model.

3. **Model Estimation:** A hypothesized theoretical model can have parameters estimated using several different estimation methods. The unweighted least squares estimation method works fine when the Pearson correlation coefficient assumptions are met: normal distribution assumption and other parametric assumptions hold.

4. **Model Testing:** A model is tested for fit using the following three criteria in judging the statistical significance and substantial meaning of a theoretical model with a specific model fit index, as shown in Table 13. Firstly, the non-statistical significance of the Chi-Square test, which is considered a global fit measure. The chi-square value's non-statistical significance indicates that the sample covariance matrix and the reproduced model-implied covariance matrix are similar. Secondly, the statistical significance of individual parameter estimates for the model paths is computed by dividing the parameter estimates by their respective standard errors. These are referred to as t or z values and are typically compared to a tabled t or z value of 1.960 at the .050 level of significance. Lastly, the parameter estimates'

magnitude and direction, paying particular attention to whether a positive or negative coefficient makes sense for the parameter estimates.

5. Model Modification: When hypothesis testing, a model may not fit the data indices. Residual values will guide us in the residual matrix, modification indices, or theory to make changes as follows: 1. It is not recommended that the structure model be changed by adding or deleting a path unless additional theory substantiates the structural model modification. 2. Generally, the measurement model will require adding an error covariance term between observed variables, which is sufficient to provide better data to the model fit indices (Refer to Table 13 for recommended model fit indices).

We used covariance structure analysis to test the representative models' fit for all participants' results and estimate all the above-mentioned latent variables' direct and indirect effects. From the result findings, we had participants who did not answer were over 5% of the questionnaire surveys, which were accepted as univariate outlier value ($z = \pm 3.264$) and were taken out of the data set (Tabachnick & Fidell, 2007). Following this data cleansing operation, it was determined that there were no multivariate outliers ("Mahalanobis Distance," 2008). The analyses were carried out via IBM SPSS 24 (SPSS, 2019) and IBM SPSS AMOS 22 (Arbuckle, 1994) software.

4.2.2 Quantitative Result Findings

The SEM results explained the Chinese corporations' business performance, and it was put forward that there were significant positive relationships between the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and business performance. Besides, the ESDZ environmental dimensions and cross-cultural competence also explained business strategy emphasis, while all these three latent variables explained the business performance of the Chinese corporations in the ESDZ of Thailand. All parameters' descriptions, standard path coefficients, and significant values were shown in Table 13.

Table 13 Model Fit Indices and Recommended Values for SEM Analysis
(Kline, 2005)

Model Fit Index	Observed Values	Recommended Values	Parameter Descriptions	Standardized Path Coefficient (β)	P-Value	Squared Multiple Correlation (R ²)
CMIN Value	103.877		Business Performance from ESDZ Environmental Dimension	.079**	.000	ESDZ Environmental Dimension = .634
CMIN (Chi-square p value)	.052	> .050	Business Performance from Business Strategy Emphasis	.766**	.000	Business Strategy Emphasis = .737
df Value	82	≥ 1	Business Performance from Cross-Culture Competence	.179**	.000	Business Performance = .971
CMIN /df	1.267	≤ 2	Business Strategy Emphasis from ESDZ Environmental Dimension	.458**	.000	
CFI	.998	$\geq .950$	Business Strategy Emphasis from Cross-Culture Competence	.449**	.000	
GFI	.976	$\geq .950$	ESDZ Environmental Dimension from Cross-Culture Competence	.796**	.000	
AGFI	.933	$\geq .950$				
NFI	.991	$\geq .950$				
RMSEA	.026	$\leq .050$				

The data analysis also showed the SEM's casual relationship determined significance at .05 and positive relationships between the ESDZ environmental dimension, business strategy emphasis, cross-cultural competence, and Chinese corporations' business performance. Cross-cultural competence is significant and has a positive relationship with both the ESDZ environmental dimension and business

strategy. ESDZ environmental dimension is significant and has a positive relationship with business strategy emphasis. In contrast, business strategy emphasis is significant and has a positive relationship with the business performance of the Chinese corporations in the ESDZ of Thailand with model fit indices as follows: $\chi^2 = 103.877$, $df = 82$, $\chi^2/df = 1.267$, $p\text{-value} = .052$, $CFI = .998$, $GFI = .976$, $AGFI = .933$, $NFI = .991$, $RMSEA = .026$ (Refer to Figure 15). We presented the data on the hypothesized model's statistical fit, using standardized path coefficients (Beta) and the estimate of variance explained (R^2) as shown in Table 13. The Chi-square value is 103.877 ($df = 82$, $p\text{-value} = .052$) and the relative Chi-square value is $CMIN/df = 1.267$. RMSEA estimate of .026 provided support for the general model. Bentler's CFI was .998, indicating that the proposed model fits the data according to this index. Goodness of fit index (GFI), and adjusted GFI (AGFI), and Normed fit index (NFI) for the measure were .976, .933, and .991, respectively, demonstrating general fit for the data in this model. The recommended model fit indices are as follows: $df \geq 1$, $\chi^2/df \leq 2$, $p\text{-value} > .050$, $CFI \geq .950$, $GFI \geq .950$, $AGFI \geq .950$, $NFI \geq .950$, $RMSEA \leq .050$ (Schumacker & Lomax, 2016; Suksawang, 2014).

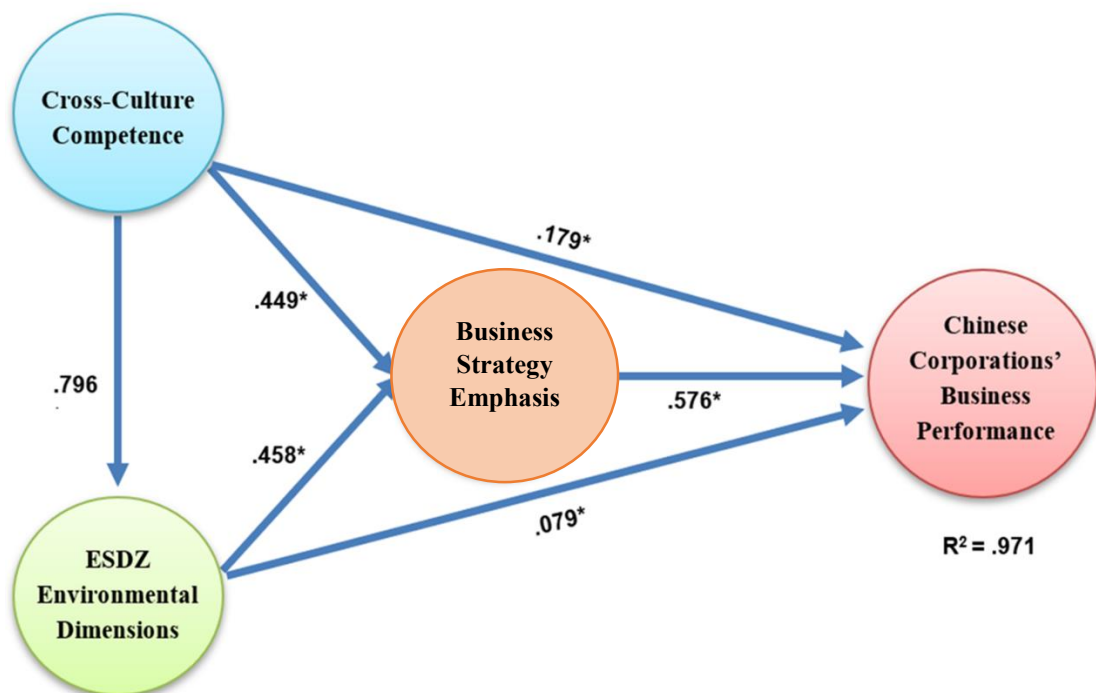


Figure 15 SEM Model of Phase 1 – Quantitative Research Method

Also, results showed that the causal relationship model of the ESDZ environmental dimension, business strategy emphasis, cross-cultural competence, and business performance are consistent with the empirical data. The three predicted variables, ESDZ environmental dimension, business strategy emphasis, and cross-cultural competence, explicated business performance with a standard multiple correlation $R^2 = .971$ as shown in Figure 15. In simpler words, the three crucial variables played a decisive role (97.1%) in explaining the precepted variance, business performance. The results also determined that cross-cultural competence had the most impact on business performance with a total effect of .865, followed by business strategy emphasis with a total effect of .766 and the ESDZ environmental dimension with a total effect of .431 (Refer to Table 14).

Table 14 Total, Direct, and Indirect Effects of Independent and Dependent variables

Dependent variables	ESDZ Business environment			Business strategy emphasis			Business performances		
	TE	DE	IE	TE	DE	IE	TE	DE	IE
Cross-cultural competence	.796	.796		.813	.449	.364	.865	.179	.686
ESDZ business environment				.458	.458		.431	.079	.351
Business strategy emphasis							.766	.766	
R^2		.634			.737			.971	

After determining the casual relationship of all the latent variables in the previous section, we continued to explore the path coefficients for both high and low business performance groups and cross-cultural competence groups. The main objectives were to explore the different business strategy emphasis used by these Chinese corporations in both groups among high and low performers under the same perceived environmental dimensions. The significant path coefficients were shown in Figures 16 and 17 for both high and low business performance groups and Figures 18 and 19 for both high and low cross-cultural competence groups. These results

provided path coefficients and significance levels for all high and low business performance groups and cross-cultural competence groups.

The high business performance group model shows a probability of an RMSEA close fit of .040, NFI index .985, and a CFI index of .995, which indicates a good model fit when considered together. On the other hand, the low business performance group model does not fit well compared to the high business performance group, with an RMSEA close fit of .074, NFI index .969, and a CFI index of .987.

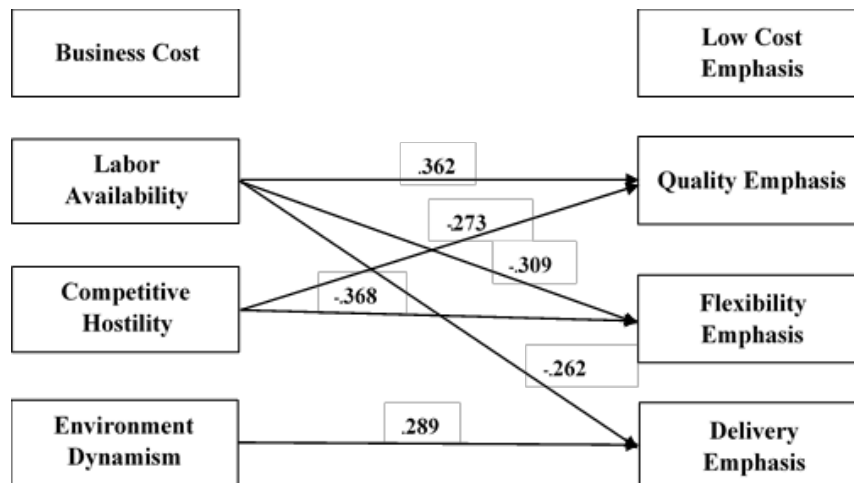


Figure 16 High Business Performance Chinese Corporation Group (only significant path coefficients were reported)

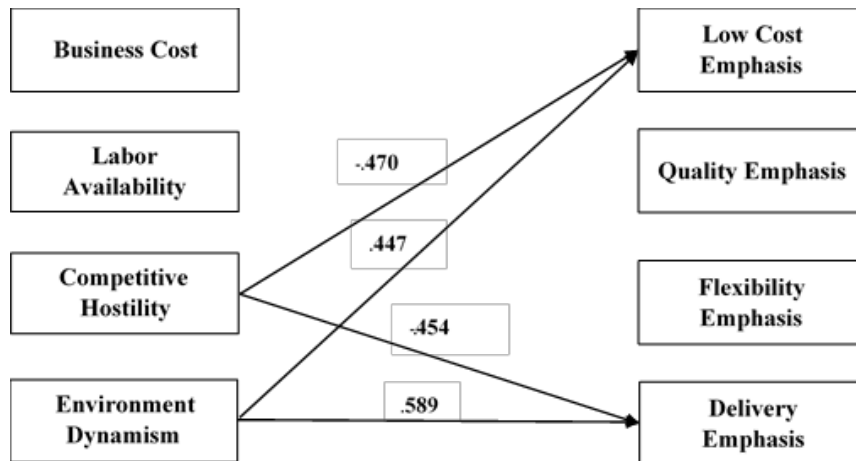


Figure 17 Low Business Performance Chinese Corporation Group (only significant path coefficients were reported)

Based on the extensive strategic management literature on the alignment of strategy and environment (Venkatraman & Prescott, 1990), it is not surprising that good performers fit a strategic model better than poor performers. However, of more importance for this research, several significant paths between environmental dimensions and business strategy emphasis contrasted for both high and low business performance groups models, which resembles the results of both theories of Swamidass and Newell (1987) and Ward, Peter and Duray (1995), in incorporating consideration of environmental dimensions in research on business strategy emphasis under dynamism and munificence.

The path coefficients estimated for both high and low cross-cultural competence groups indicated that the high cross-cultural competence group had a better fit model than the low cross-cultural competence group. The high cross-cultural competence group model showed a probability of an RMSEA close fit of .040, NFI index .985, and a CFI index of .995, which when considered together indicated a better fit of the model to the population compared to the low cross-cultural competence group model which does not fit as well, with an RMSEA close fit of .074, NFI index .969, and a CFI index of .987.

In addition to the above findings, the test of path coefficients showed significant differences between high and low business performance groups as shown in Figures 18 and 19 and significant differences between paths between high and low cross-cultural competence groups as shown in Figures 20 and 21. We concluded that the high business performance group used different business strategy emphasis to that of the low business performance group when their perception of the environment is the same. This difference was clearly shown in Figures 18 and 19 that at least one path between an environmental dimension and a business strategy emphasis differed between high and low business performance groups. We have similar conclusions for the high and low cross-cultural competence groups that high cross-cultural competence group used different business strategy emphasis to that of the low cross-cultural competence group when their perception of the environment is the same.

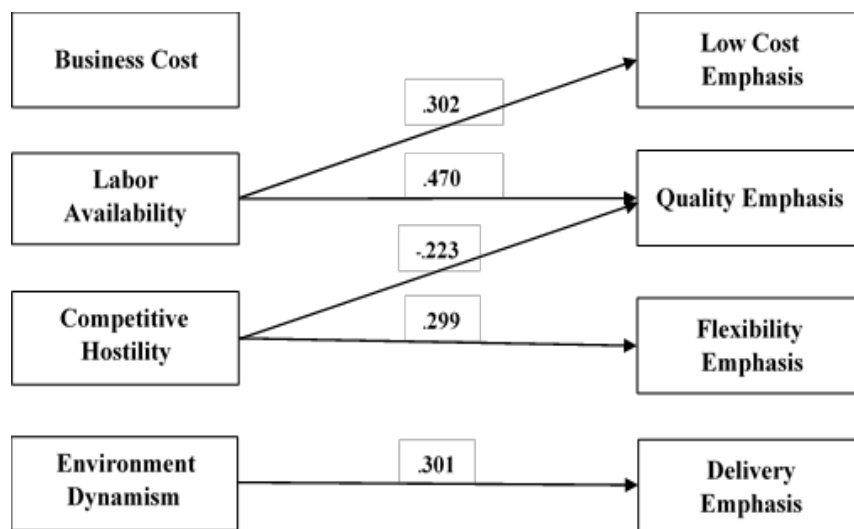


Figure 18 High Cross-cultural Competence Chinese Corporation Group (only significant path coefficients were reported).

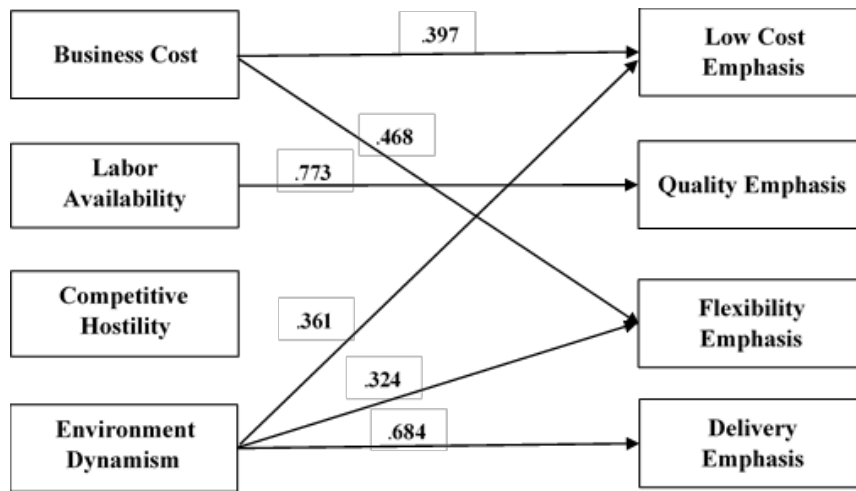


Figure 19 Low Cross-cultural competence Chinese Corporation Group (only significant path coefficients were reported)

In summary of this section, we would like to confirm that the current study identified strong relationships between the ESDZ business environment, business strategy emphasis, and cross-cultural competence. These factors had significant and positive effects on the business performance of Chinese corporations in the ESDZ of Thailand. When these companies encountered a similar business environment, high and low business performance groups and cross-cultural competence groups adopted different business strategies emphases.

4.2.3 Qualitative Result Analysis

Alternatively, we had used a qualitative research method, an online focus group discussion for data collection. As we have already mentioned in previous chapters, the online focus group discussion delivered insights into how the participants think and provide a deeper understanding of the studied phenomena (Barbour & Kitzinger, 1999; Morgan, 1996). Focus group methodology is a qualitative research tool frequently used in social sciences to explore people's meanings, ways of understanding, or experiences of a complex phenomenon (Lunt & Livingstone, 1996). In practice, focus group methodology typically involves a series

of group interviews about a given topic or phenomenon guided by a moderator. One of the significant strengths of focus group methodology is its exploratory nature. Focus groups enable us to know their target audience in detail without prior assumptions or research questions. Moreover, focus groups can serve as sources of new ideas and hypotheses (Merton, 1987).

As the online focus group discussion was completed, we transcribed the audio-video recordings. Field notes (Phillippi & Lauderdale, 2018) with descriptions of physical nonverbal cues (Kleck, 1968) and other observations were reviewed. The transcripts were analyzed using pragmatic content analysis (Levitan, 2018; Schilling, 2006), which includes classifying signs according to their probable causes and effects. In this type of analysis, the emphasis is on why something is said and explained. First, the transcripts were read and reread. By using an iterative process, meaningful quotes in each theme were then identified. A constant comparison method (Glaser & Strauss, 1967) was implemented to compare quotes with one another continually. Quotes considered to represent the same meaning were clustered together, while quotes considered to represent a different concept were also grouped together. All of the data were searched until all meaningful data had been identified and clustered.

Following Teesh's (1990) recommendation, the whole process remained flexible, meaning that labels and themes could be modified and refined until the most 'reasonable' reconstruction of the data had been developed (Lincoln & Guba, 1985). A technique used to increase confidence in the results was credibility checks (Willig, 2001) within the research team to see if the data's analysis and interpretation were credible. In this process, we conducted the initial data analysis. When the first check was completed, a Chinese assistant was invited to read the transcripts and met to discuss the credibility of the four themes formatted. After the essential information and data had reached a consensus view from the Chinese assistant and us, the result findings were summarized.

4.2.4 Qualitative Result Findings

From the fundamental analysis made to the data collected associating the four main themes, namely, ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and business performance, we would like to summarize the crucial findings accordingly as follows:

4.2.4.1 Environmental Dimensions

In general, a business environment is defined as external forces, factors, and institutions beyond the business's control and affect its functioning (Blurtit, 2013; Fernando, 2011; Kinnu, 2014). The business environment's moderating effect has also been reported in the entrepreneurship literature, particularly the business environment moderating effect on the relationship between business strategies and performance (Westerberg, Singh, & Häckner, 1997). The following section presented the discussions, interpretations, and analyses on the ESDZ environmental dimensions theme.

Question 1.1: What is your opinion on the types of business cost promotions offered in the ESDZ at the present moment? Do these incentives help to support your business operations in the ESDZ?

Our company did not pay much attention to these issues unless the ESDZ environmental units in charge inform us. We have been here for about two years, and we did not bother much about these incentives. (Company 1 and Company 2)

We acknowledged that Company 1 and 2, both in the low business performing and cross-cultural competence group, did not pay attention to any of the business cost promotions offered in the ESDZ. However, all the rest of the participants confirmed and agreed that they often utilize such promotions, and they are very accommodating and supportive in terms of their daily business operations. It has been broadly embraced that an essential effect of achieving alignment is presumed to enhance the business performance, just as misalignment is expected to undermine its performance (Tarigan, 2009).

Question 1.2: An effective and efficient workforce is an essential foundation of sustainability. How is the workforce of your company at the present moment? Is there a shortage of any specific type of workforce?

The primary workforce is normal. We have also engaged in foreign part-time workers too. We are short of third shift production workers and Chinese speaking staffs too. We have an agent providing our company with the specific workforce we request. (Company 1 and 2)

We do not have workforce difficulties. We have Chinese expatriates and a Thai workforce also. Some of the Chinese-speaking Thai staff are holding middle-ranking level positions in the company. For human resources, we request from agents too, and we also look into websites and mobile applications. (Company 3)

We have Chinese expatriates and a Thai workforce also. We also lack Chinese-speaking local staff. For workforce resources, we are pretty similar to the others. (Company 4)

Only the top managements are Chinese expatriates from China. The managers of all operation departments are Thai staff. We lack Chinese-speaking administrative staff too. We use all the methods to find human resources that are already mentioned. Production and the Chinese-speaking workforce are our priority. Company 5 and 6)

Basically, all six companies do not have severe problems with their workforce at the present moment. All six Chinese companies have Chinese expatriates from China, especially for high-ranking positions or specialists in certain specific operational areas. All the companies lack Chinese-speaking Thai staff which is a common issue among the group. Hence, these Chinese corporations' current workforces are normal, but they have an extremely high demand for Chinese-speaking Thai staff. We also found that low-performing and cross-cultural competence companies have lesser methods of locating their workforce resources, and they have influential positions held by Chinese expatriates, which also implies that the organization is not applying localization. The above showed various cultural gaps,



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especially from low cross-cultural competence corporations consisting of previous researchers' findings that cultural diversity has a significant impact on competitive advantage. (James P. Johnson, Tomasz Lenartowicz, & Apud, 2006; Sultana, Rashid, Mohiuddin, & Mazumder, 2013).

Question 1.3: What is your opinion on strong competition in the ESDZ for local and foreign markets?

Our company focuses on export to other South East Asia countries. We do not encounter competition locally. However, Declining demand in foreign markets is a critical issue to us. We only trade and sell our products to foreign markets such as to the United States of America and other countries in the neighboring region.
(Company 1 and 2)

Although more and more Chinese companies are rushing into Thailand, we did not encounter competitive situations for my company yet. Yes, both local and foreign markets are equally important to our company (Company 3)

Yes, many Chinese companies are setting up in this region. My company has no worries about competitions because we have a good relationship with our suppliers and customers. Both local and foreign markets are equally important.
(Company 4)

Typically, the competition concerning supplies and shares of the market depends significantly on the industry and the company itself. Both local and foreign markets are equally important. (Company 5)

Our company has been established in Thailand for many years. The industrial zone situation has been improving during all these years, which attracted many new Chinese investors. However, many are not competitors. Most of them joined the Chinese Investors Association in Thailand. (. Both local and foreign markets are equally important. (Company 6)

Chinese corporations (Company 1 and 2) under Thailand's Board of Investment (BOI) Scheme are not affected by the local market competitions as they

only operate as exporting companies. Although more and more Chinese corporations are coming into Thailand to invest in the ESDZ, the participants stated that the level of hostility in the ESDZ is still not fatal yet. The main reason is that these foreign investors are categorized into different industries, and most of their customers are existing long-term customers of their parent companies before they expand to Thailand.

Question 1.4: Suppliers' and customers' quality are critical external environment dimensions. Did your company encounter any problems regarding suppliers' or customers' quality?

We have suppliers from both mainland China and local. We came across problems with local suppliers that are inefficient, and we just change those bad ones. We do not have glitches or complications with our customers at present. (Company 1 and 2)

We deal with 90% of our supplies with our parent company and 10% from local vendors. Therefore, we do not encounter any problems with suppliers. Our marketing team has put in many efforts for customers, and we are working on it. (Company 3)

Customers and suppliers are essential issues. We do not have any problems so far. (Company 4 and 5)

We are in Thailand for many years, and we have a close relationship with our customers and suppliers. (Company 6)

We have two Chinese corporations (Company 1 and 2) that have encountered problems with local suppliers related to efficiency standards from the above discussion. Chinese corporations tend to have very straightforward and modest problem-solving techniques towards environmental dimension problems. The rest of the participants are good with both suppliers and customers, and all of them agreed that customers and suppliers are essential issues that can directly affect their business performance.

4.2.4.2 Business Strategy Emphasis

A business strategy is the master plan that the management uses to secure a competitive position in the market, carry on its operations, please customers, and achieve the business's desired ends (Campbell, Edgar, & Stonehouse, 2011). The following section presented the discussions, interpretations, and analyses on the business strategy emphasis theme.

Question 2.1: What is your company's business strategy emphasis while operating in the ESDZ at the present moment? Which type (Cost, Quality, Flexibility, and Delivery) do you think is most suitable for your business operations in the ESDZ?

Cost and flexibility emphasize, and we think that these suit us most. We think that saving cost is one of the most important missions for top management. We emphasize mainly on cutting operating costs and a little on flexibility to smooth things out. Moreover, our operating budget is well controlled by our parent company. (Company 1 and 2)

We emphasize quality and delivery strategies. We also think that flexibility is a good business strategy. We do not put much emphasis on cost as our products are middle and high-end products. (Company 3 and 5)

Mostly on cost and we make sure our quality is good. We have third-party agencies that conduct quality inspections regularly. (Company 4)

We emphasize quality, flexibility, and delivery strategies. We think that quality is more important than lowering cost. (Company 6)

From the above discussion, we realized that companies of different performance levels use different business strategies. We found that two low-performing and low cross-cultural competence companies emphasize cost and flexibility strategies (Company 1 and 2). Others emphasized quality and delivery strategies as a mixture. Second, high-performance companies usually focus on quality emphasis, a customer-centered business strategy that gives additional value to their customers. On top of that, flexibility is a business strategy that dramatically affects



the operating costs but does not affect the quality of the products. On the other hand, low cross-cultural competence companies also focus on minimizing their cost and expenses, while high cross-cultural competence companies focus on mixed strategies. The above findings are similar to previous research findings (Chi, Kilduff Peter, & Gargeya Vidyaranya, 2009; Swamidass & Newell, 1987; Ward et al., 1995).

Question 2.2: Did your company focus on a specific business strategy emphasis, or are you implementing a mixed business strategy emphasis as well?

Mainly on cost and a little on flexibility. (Company 1 and 2)

We do not focus on cost but rather a mix between quality and delivery.
(Company 3 and 5)

We imply mixed business strategies too. Nowadays, one is not enough. Sometimes it depends on the situation to adjust the business strategies accordingly.
(Company 4 and 6)

Precisely, all these Chinese corporations are using a mixed business strategy emphasis, and most of them think that using a single business strategy emphasis is not practical anymore. Moreover, these business strategy emphases are also prior to making changes when they are affected by other factors that affect the business's operations. However, it was evident that companies from high and low-performing and cross-cultural competence groups utilize different business strategy emphasis combinations compared to those of low-performing and cross-cultural competence groups. The results are consistent with previous findings (Porter, 1980; Ward et al., 1995) that differentiation (quality, delivery performance, and flexibility) is an appropriate strategy in an increasingly complex, dynamic, and hostile environment.

Question 2.3 : What is your point of view on the type of business strategy emphasis had on the outcome of your company's business performance?

We think that different business strategy emphasis yields different business performance outcomes. The alteration of a business strategy emphasis



usually depends on the different situations the company faces at a particular time.

(Company 1 and 3)

Business strategy emphasis certainly affects a company's business performance, and we also agree that different strategy emphasis affects the outcome of its business performance. (Company 2, 4 and 6)

Yes, we agree with the others that different strategy emphasis affects the outcome of business performance. However, as top management, we should make fatal decisions on the alteration of a business strategy emphasis to guide the company to be more competitive and sustainable.

All participants agreed that business strategy emphasis is an important factor that directly affects its business performance. We also acknowledged that most participants agreed that a change in the business strategy emphasis is closely related to other environmental dimensions. These findings are also consistent with previous researches findings (Porter, 1980; Swamidass & Newell, 1987; Ward et al., 1995).

4.2.4.3 Cross-Cultural Competence

Something as simple as a nod can be interpreted in two completely different ways in two countries (Cynthia, 2014). According to Czinkota Michael and Coskun Samli (2007), cultural factors have a substantial impact on the flow of business, and each society has its cultural fundamentals. Multinational companies that practice expatriation, not rarely, face problems of a work stoppage, abandonment of position, early return, and poor performance of the expatriate (Lee & Sukoco, 2010; Wu & Ang, 2011). The following section presented the discussions, interpretations, and analyses on the cross-cultural competence theme.

Question 3.1: What is your opinion on the cultural gaps between Chinese Thai culture? Do you think that these cultural gaps are barriers to your business operations, and how much do they affect your company?

We understand that there are cultural gaps between the Chinese and Thai cultures, especially in languages. Sometimes we have to bear with it until the task is



completed. We also have other problems between Chinese and Thai norms and culture, e.g., efficiency is a problem in Thailand. (Company 1 and 2)

We think that there are cultural gaps but not too problematic for us. Our staffs are pretty good listeners, and they are fast learners too. We are actually trying to minimize these culture gaps on a daily routine basis. (Company 3)

There are cultural gaps between the two cultures. However, we are prepared before we make decisions to start our investments in Thailand. (Company 4)

The most obvious obstacle is the language barrier. Other than the language barrier, we also encountered different ways of doing things, a different tone and body language, etc. (Company 5)

We encountered language barriers, but we try our best to recruit Chinese-speaking staff to narrow the language barriers as we move on these years. We believe that those locals who learned the Chinese language are more open to and better understand the Chinese culture. (Company 6)

All participants agreed that there is an apparent cultural gap between the two cultures. The most apparent and common obstacles are language barriers which are also mentioned earlier at the beginning of this discussion. Other than language barriers, other cultural gaps are also encountered, such as different levels of efficiency, different ways of doing things, a different tone and body language, etc. All the participants believe that recruiting more Chinese-speaking local staff will certainly help minimize these language barriers.

Question 3.2: The following six cultural factors (Power Distance, Individualism vs. Collectivism, Uncertainty Avoidance Index, Masculinity vs. Femininity, Long-term Orientation vs. Short-term Orientation, and Indulgence vs. Restraint) of Hofstede culture model, which do you think is most relevant to your business operations in Thailand?

Individualism and Collectivism. We think that all these cultural factors have a certain impact because they differ in the two cultures. (Company 1 and 2)

We think that Long-term Orientation vs. Short-term Orientation has the most impact. We think that most of the Thai staff do not have very long-term planning for their work. They are easily satisfied with short-term accomplishments. Sometimes it affects work efficiency because satisfaction is met with short-term accomplishments. (Company 3)

We think that Indulgence vs. Restraint is a vital cultural factor that affects us most. Thai people's high indulgence lifestyle is entirely different from the high restrained Chinese culture, which makes things more serious. The freedom to do things in our ways and freedom of speech are also very different. (Company 4)

We are more towards Individualism vs. Collectivism. We found that Thai staffs tend to have more significant preferences for individualism. Usually, benefits and welfare are favored to an individual who comes first before organization benefits. (Company 5 and 6)

The most popular answer was individualism and collectivism, which these companies think are most important and impact them. They referred that local Thai staffs tend to have more significant preferences for individualism. Usually, benefits and welfare are favored to an individual who comes first before organization benefits. Long-term and Short-term Orientation, Indulgence, and Restraint are also mentioned in the discussion. These findings are consistent with Hofstede's 6-D model of national culture (G. Hofstede & Hofstede, 2017).

Question 3.3: What are the significant measures that your company takes at this present moment to narrow down the culture gaps mentioned above?

Our company tries very hard to find local Thai staffs who can speak Chinese and understand the Chinese culture. On the other hand, understanding the Thai language and culture is the top management team's top priority. (Company 1)

Besides trying to find Chinese-speaking local Thai staff, we have Chinese staff to help conduct Chinese lessons for our Thai staff interested in learning Chinese. (Company 2, 4, 5 and 6)

We are still looking for Chinese-speaking local Thai staff. We do not have time for Chinese lessons, but we regularly conduct short interviews to encourage staff to learn Chinese and track their progress. (Company 3)

Much focus is placed on recruiting Chinese-speaking local Thai staff for all these Chinese corporations. Indeed, most of these Chinese companies are desperately looking for Chinese-speaking local Thai staff. This is because most of these Chinese corporations' top management do not speak either Thai or English. Other significant measures to narrow down the cultural gaps include conducting Chinese language and culture lessons for local Thai staff and Thai culture lessons to the Chinese top management teams. We agreed that cross-cultural values recommended into an organization are ideal for international organizations, especially when there are apparent cultural barriers between the two cultures.

Question 3.4: What is your opinion, and how much do you understand cross-cultural competence? Do you agree that personnel with higher cross-cultural competence is more capable of conciliating problems related to culture gaps?

Yes, but people with such intelligence are hard to come by. I understand, but I think it all depends on the situation when problems occur. Usually, it takes excellent problem solving instead of cross-cultural competence. We find it better to enhance cultural training and build up cultural intelligence among our Thai and Chinese staff. (Company 1, 2 and 4)

We believe that personnel with higher cross-cultural competence are more capable of conciliating problems related to culture gaps. Most of our expatriates in the top management level have gone through interviews related to this issue before they come here. They are very sensitive to such problems, and they tend to solve problems in a much better way. (Company 3)

It is best when cultural intelligence and problem-solving skills can come together. It also takes time and effort for both parties to come to a compromising point of view on the difference between the two cultures. (Company 5)

We have tried this, and it works. Top management that understands the Thai culture tends to solve a problem more brilliantly, and under such leadership, culture gap problems are less encountered. Hence, we believe that personnel with higher cross-cultural competence are more capable of conciliating problems related to culture gaps. (Company 6)

All of these Chinese corporations understand and have sufficient knowledge concerning cross-cultural competence, and they all agreed that a person with higher cross-cultural competence is more capable of conciliating problems related to culture gaps. The discussion findings were similar to previous researches that cultural sensitivity is likely to play a significant part in expatriation performance (Aryee, Chay, & Chew, 1996; Earley & Ang, 2003). Although three of the participants are graded in the low cross-cultural competence group, they understand their situations and are looking for a solution to the problems. From this viewpoint, we can conclude that cross-cultural competence is another fatal factor that directly affects the business performance of these Chinese corporations (Harrison & Huntington, 2000).

To conclude this section of the research study, we would like to confirm that from the data analysis of the results of the online focus group discussion, there is enough evidence to support that the ESDZ environmental dimensions, business strategies emphasis, and cross-cultural competence are important factors that have direct effects on the business performance of the Chinese corporations in the ESDZ of Thailand. We also found that high and low business performance groups and cross-cultural competence groups emphasized different business strategies under the same perceived environmental dimension.

4.2.5 Integration of Mixed Methods Research Data

In this particular research study, data collected from quantitative and qualitative research methods (mixed methods research) in the first phase were analyzed concurrently. These results were then converged by comparing and contrasting the data into one overall interpretive framework. From the result findings

mentioned in the previous sections, we would like to conclude that both the quantitative and the qualitative research methods yielded similar interpreted results. First, the quantitative research method result findings obtained from the questionnaire surveys, after further analyzing with SEM and path analysis models, exhibited that -

1. The ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence have positive and significant effects on the business performance of the Chinese corporations in the ESDZ of Thailand.
2. Both high and low business performance groups and cross-cultural competence groups employed different business strategy emphasis within the same perceived environment.

Second, from the interpretation and analysis of the qualitative research method result findings of the online focus group discussion, we had conclusions as follows –

1. The ESDZ environmental dimensions, business strategies emphasis, and cross-cultural competence are important factors that have direct effects on the business performance of the Chinese corporations in the ESDZ of Thailand.
2. high and low business performance groups and cross-cultural competence groups emphasized different business strategies under the same perceived environmental dimension.

Accordingly, with the above result findings, we proceeded to the second phase of this research study to develop an integrated BMI process (EBMIP) using the analytical data results from both research methods. These result findings were used in the corroboration process of the concept design phase of the EBMIP to –

1. Confirm key factors from the conceptual framework.
2. Revise evidence that supported the research theories.

The research outputs of this first phase of the research study were shown in Figure 20 for a better understanding of the proceedings.



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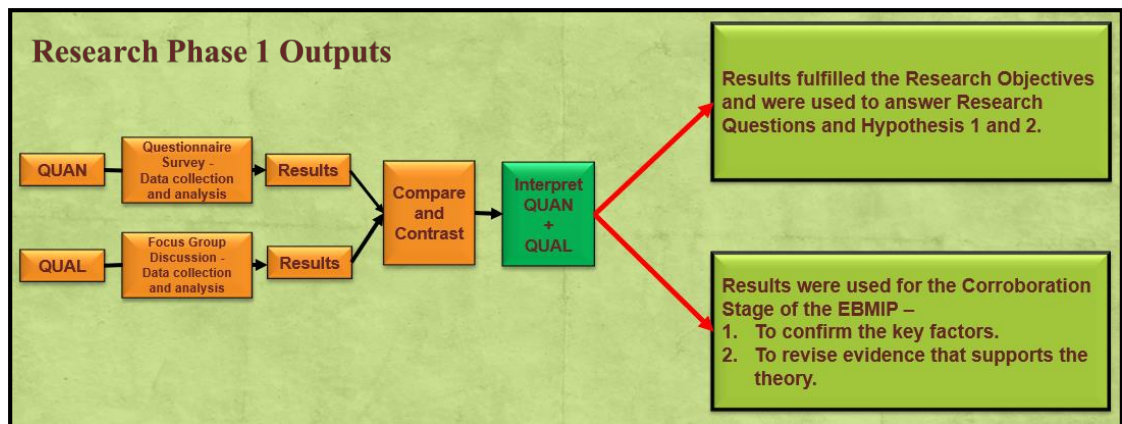


Figure 20 Research Phase 1 Outputs

4.3 Development of the EBMIP: Phase 2

The second phase of this research study involved analyzing data collected (Qualitative) and the statistical results obtained (Quantitative) from the first phase. The deductions and inferences of the quantitative and the qualitative results were then used to moderate and design the EBMIP framework, considering the causal relationships between the latent variables from the quantitative research results (questionnaire surveys) and the in-depth analysis of the data collected from the qualitative research results (focus group discussion). We then adapted to 1. Previous literature reviews, 2. Available theories on BMI process, 3. Theoretical framework and the conceptual framework in Chapter 1 of this research study, 4. Result findings of the mixed method researches mentioned above, 5. BM and BMI processes reviews, 6. BMI design literature associated with the CBMIP framework (Martin Geissdoerfer, Savaget, & Evans, 2017) (Refer to Figure 5) for further adjustment and development of the EBMIP framework (Refer to Figure 8).

As mentioned in earlier chapters, after finalizing the EBMIP framework, we continued to proceed with the second phase of this research study to execute the concept design phase and detail design phase of both the CBMIP and EBMIP. The methods and procedures involved in the second phase of this research study were already explained in detail in previous chapters. Hence, we would like to present the key outputs of phase two of this research study, as shown in Figure 21.

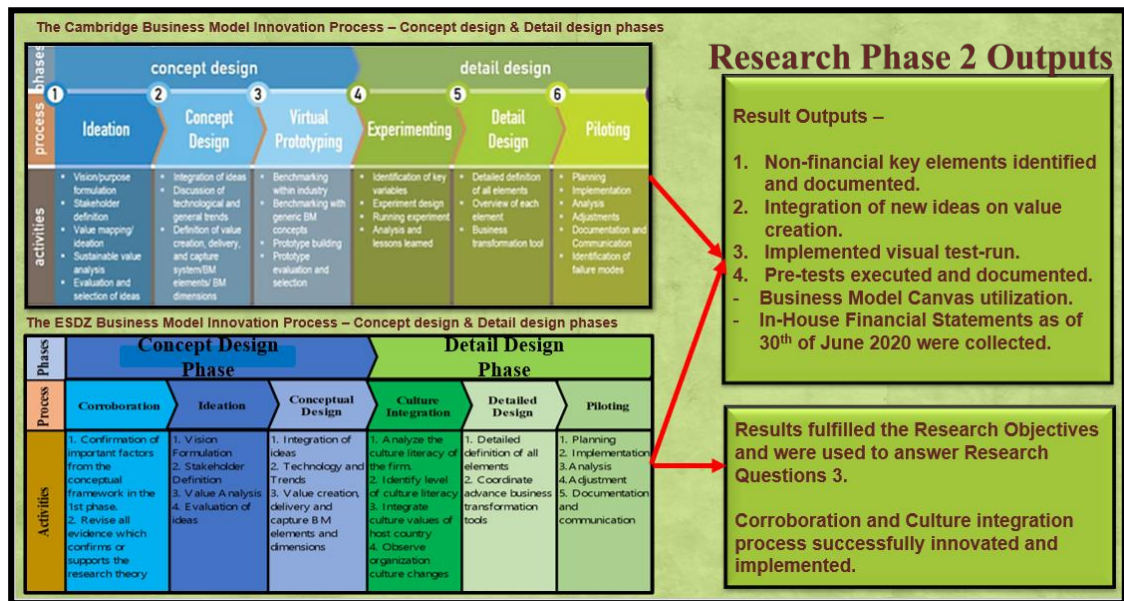


Figure 21 Research Phase 2 Outputs

Accordingly, from the above result outputs, we would like to conclude that - 1. We developed an integrated BMI process (EBMIP) using the analytical data results from both research methods in the first phase of this research study. 2. The corroboration and culture integration processes of the EBMIP were successfully innovated and implemented. 3. The concept design phase and the detail design phase of the CBMIP and the ESDZ Business Model Innovation Process were efficaciously and effectively implemented.

4.4 Implementation Phase Results: Phase 3

In this final phase of the research study, two Chinese corporation participants executed both implementation phases of the CBMIP and EBMIP. The following section presented the results of – 1. Business Model Canvas (BMC) comparison results and 2. In-house financial analysis comparison results before and after the implementation phases of the CBMIP and EBMIP.

As we have already discussed in Chapter 2 of this research study, the CBMIP was created to provide a more comprehensive framework than existing literature. The EBMIP shadowed the structure of the CBMIP and was integrated according to the Chinese FDIs situation in Thailand. These two BMI processes covered different BM proceedings, including their main characteristics and components, their main activities, the transitions between different phases, and the potential challenges that may arise. Therefore, the BMI processes informed the planning and execution of BMI in organizations. The activities and procedures mentioned above were carried out close to adjustments to present BMs according to the key elements discussed during the workshop sessions in the concept and the detail design phases. From this point, we would continue to present the results obtained in this final phase in the following section.

4.4.1 Comparison Results – Business Model Canvas

For a brief introduction, Company 1 is a Chinese company located in the ESDZ of Thailand. This company had volunteered to participate in this research study after discussing it with the top management in an interview. They were pretty excited and interested in the CBMIP workshop sessions that they thought would help restructure and improve their business operations in Thailand. Company 1 is a startup company registered in 2018, with Chinese holding 49% of its shares. Their primary business operations are manufacturing belts for industrial use and selling their products to their customers to ASEAN's neighboring countries. The main reason for them to invest in Thailand was to create a distribution hub for their customers who are situated around Thailand, such as Malaysia, Singapore, and Indonesia, etc. Other than these ASEAN countries, they also export their products to America and Europe. Hence, due to China's Sino-china trade war, it is more compatible and convenient to have a manufacturing base in Thailand directly.

Company 2 is also a newly startup Chinese company located in the ESDZ of Thailand, registered in 2018, with Chinese holding 49% of its shares. This company volunteered to participate in this research study due to its interest in looking for new business opportunities and managing local staff through research activities. Their

primary business operations are the manufacturing of water sprinkle network supplies and accessories. They sell their products to their customers to the neighboring countries in ASEAN and the United States of America. The main reason for them to invest in Thailand was to create a distribution hub for their customers situated around Thailand and avoid the Sino-China trade war.

To understand the whole concept of their present business model, we used the Business Model Canvas during the workshop sessions, one in the beginning, which was the first workshop session, and the second one was done after the implementation stage. The first one was employed to create a simplified picture of the company's business model (see Table 15). The second one was done to compare the new ideas created during these workshop sessions and to identify significant changes, adjustments, and diversifications after the actual launching of the implementation stage of the new business model (See Table 16). Strategyzer defined the Business Model Canvas as "The Business Model Canvas, is a strategic management and entrepreneurial tool." It allows others to describe, design, challenge, invent, and pivot their business model. A detailed literature review concerning the Business Model Canvas was done in Chapter 2.

In the next section, we compared the two Business Model Canvas of Company 1. The first was recorded before the implementation phase, dated 5th of June, 2020, and the second recorded after the implementation phase, dated 25th of September, 2020, mentioned above (See Table 15 and Table 16). We compared both recorded Business Model Canvas of the participants after the implementation phases in the latter section. Both records' overall progress showed a significant increase upon decisive elements in each of the Business Model Canvas's key segments.

Table 15 Business Model Canvas – Company 1 (Recorded before Implementation Phase, dated 5th of June, 2020)

The Business Model Canvas						Designed for: Thai WP Engineering Co., Ltd.	Designed by: Mr. Chidchal Muensriphum	Date: 05/06/2020	
Key Partners		Key Activities		Value Propositions		Customer Relationships		Customer Segments	
1. Other belt for industrial use manufacturers that they can partner with and share engineering technology and help lower R&D cost. 2. Key raw material suppliers and manufacturing equipment spare parts suppliers. 3. Local and foreign dealerships that help stock and distribute their products for customers.		1. Manufacturing of belt for industrial use. 2. Extensive safety testing of finished products to ensure reputation and quality for customers. 3. Automation and streamlining to lower cost for customers. 4. R&D to increase quality and improve manufacturing processes.		1. To provide affordable belts for industrial use for customers. 2. To provide products of great quality and safety. 3. To provide products of great quality and safety, enhance localization, marketing, inquiries and purchases.		1. Excellent customer relationship and after sales services. 2. Local and foreign market dealerships to enhance localization, marketing, inquiries and purchases. 3. Customers looking for high quality and safety belts for industrial use. 4. Expanding the foreign and local markets.		1. Customer portfolio from parent company which are located around this region. 2. Customers looking for low cost belts for industrial use. 3. Customers looking for high quality and safety belts for industrial use. 4. Expanding the foreign and local markets.	
		Key Resources							
		1. Human Capital in Engineering for R&D. 2. Capital resources in manufacturing equipment. 3. Raw materials (Steel, rubber, plastic, aluminium, etc.) 4. Customers portfolio from parent company.							
Cost Structure				Revenue Streams					
1. Primary costs are related to R&D to innovate in quality and safety measures, specification of products, raw materials as well as manufacturing costs. 2. Secondary costs arise from marketing on multiple platforms as well as continuous automation of manufacturing processes. 3. Economies of scale utilization was acquired through sourcing from key partners which allows them to save raw material costs, large scale production and mass-market customer segment.				1. Primary revenue stream comes from the sales of belts, which is their main product. 2. Secondary revenue streams come from OEM production for other companies which are value added resellers and the service and maintenance of products and manufacturing equipment. 3. Customers usually made payments by credit-terms of 90-150 days.					

Designed by: Strategizer AG

Table 16 Business Model Canvas – Company 1 (Recorded after Implementation Phase, dated 25th of September, 2020)

The Business Model Canvas					Designed for: Thai WP Engineering Co., Ltd.	Designed by: Mr. Chidchai Muen-sriphum	Date: 25/09/2020
Key Partners		Key Activities		Value Propositions	Customer Relationships	Customer Segments	
1. Other belt for industrial use manufacturers that they can partner with and share engineering technology and help lower R&D cost. 2. Key raw material suppliers and manufacturing equipment spare parts suppliers. 3. Local and foreign dealerships that help stock and distribute their products to customers. 4. The ESQZ Industry Association that provides utilities and outsource labor services. 5. Trucks companies that provide delivery services. 6. Local Banks that provide financial services, especially transfer of funds to and from other countries. 7. Mentors and Gurus. 8. Other relative associations which provide important data and information on investments and local market.		1. Manufacturing of belt for industrial usage. 2. Extensive safety testing of finished products to ensure reputation and quality for customers. 3. Automation and streamlining to lower cost for customers. 4. R&D to increase quality and improve manufacturing processes. 5. Marketing focus. 6. Internal management which emphasize on the middle-level section leaders. 7. Automated billing and payments made via Banking systems.		1. To provide affordable belts for industrial use for their customers. 2. To provide products of great quality and safety. 3. To enforce enhancing on their existing brand globally. 4. Improvement on good delivery and after sales services. 5. Initiated systems for electronic billing and payment online.	1. Excellent customer relationship and after sales services. 2. Local and foreign market dealerships to enhance localization, marketing, inquiries and purchases. 3. Special CR training were conducted for marketing team to meet the increasing customer base for both foreign and local markets.	1. Customer portfolio from parent company which are located around this region. 2. Customers looking for low cost belts for industrial use. 3. Customers looking for high quality and safety belts for industrial use. 4. Expanding the foreign and local markets. 5. Focusing more on the neighboring countries especially Vietnam, Laos and Malaysia.	
Key Resources		Channels					
1. Human Capital in Engineering for R&D. 2. Capital resources in manufacturing equipment. 3. Raw materials (Steel, rubber, plastic, aluminium, etc.) 4. Customer portfolio from parent company. 5. Expanded local market and neighboring countries portfolio. 6. Newly installed IT systems and networks.		1. Local distribution channels through local market dealerships. 2. Paid advertisement on multiple media channels, e.g. website, WeChat groups, LINE application, etc. 3. Local and foreign countries exhibitions on related product categories. 4. Global distribution via secured delivery channels with long-term relationships.					
Cost Structure			Revenue Streams				
1. Primary costs are related to R&D to innovate in quality and safety measures, specification of products, raw materials as well as manufacturing costs. 2. Secondary costs arise from marketing on multiple platforms as well as continuous automation of manufacturing processes. 3. Economies of scale utilization was acquired through sourcing from key partners which allows them to save raw material costs, large scale production and mass-market customer segment. 4. Primary costs were monitor closely during this period (3 months) and efficient gaps were narrowed to ensure maximum use of related funds.			1. Primary revenue stream comes from the sales of belts, which is their main product. 2. Secondary revenue streams come from OEM production for other companies which are value added resellers and the service and maintenance of products and manufacturing equipments. 3. Customers usually made payments by credit-terms of 90-150 days. 4. Credit payment terms were adjusted to 90 days maximum with the help of financial settlement solutions from financial institutions advised by the researcher. 5. Revenue from the newly established customer base in Vietnam will be expected in the next quarter.				

Designed by: Strategyzer AG

4.4.1.1 Business Model Canvas Comparison Results – Company 1

In this section, we compared each of the key segments recorded using the Business Model Canvas for Company 1 in details as follows:

Key Partners Segment – Company 1

In the Key Partners Segment comparison table (See Table 17), we could see a significant increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. Other belts for industrial use and manufacturers that can partner with and share engineering technology and help lower R&D cost, 2. Key raw material suppliers and manufacturing equipment spare parts suppliers, and 3. Local and foreign dealerships help stock and distribute their products for customers. After the implementation phase, five additional key elements were recorded, namely, 1. The ESDZ Industry Association that provides utilities and outsource labor services, 2. Truck companies that provide delivery services, 3. Local Banks that provide financial services, especially the transfer of funds to and from other countries. 4. Mentors and Gurus, 5. Other relative associations which provide important data and information on investments and local market as shown in Table 17 below. The increase in these key elements recorded was not only evidence of the progressive interventions and improvements, but they proved the effectiveness of the CBMIP business innovation process. Moreover, these key elements would be transformed into permanent assets of the company, which would increase the competitiveness and sustainability of their business operations.

Table 17 Comparison of Key Partner Segment – Company 1 (Before and After Implementation Phase)

Key Partners (Before)	Key Partners (After)
1. Other belt for industrial use manufacturers that they can partner with and share engineering technology and help lower R&D cost.	1. Other belt for industrial use manufacturers that they can partner with and share engineering technology and help lower R&D cost.
2. Key raw material suppliers and manufacturing equipment spare parts suppliers.	2. Key raw material suppliers and manufacturing equipment spare parts suppliers.
3. Local and foreign dealerships that help stock and distribute their products for customers.	3. Local and foreign dealerships that help stock and distribute their products to customers.
	4. The ESDZ Industry Association that provides utilities and outsource labor services.
	5. Trucks companies that provide delivery services.
	6. Local Banks that provide financial services, especially transfer of funds to and from other countries.
	7. Mentors and Gurus.
	8. Other relative Associations which provide important data and information on investments and local market.

Key Activities Segment – Company 1

In the Key Activities Segment comparison table (See Table 18), we again observed a significant increase in the key elements recorded throughout the integration process. First, the participant recorded four key elements in this segment before the implementation phase, namely, 1. Manufacturing of belt for industrial use, 2. Extensive safety testing of finished products to ensure reputation and quality for customers, 3. Automation and streamlining to lower cost for customers, and 4. R&D to increase quality and improve manufacturing processes. After the implementation phase, three additional key elements were recorded, namely, 1. Marketing focus, 2. Internal management, which emphasizes the middle-level section leaders, and 3. Automated billing and payments made via Banking systems as shown in Table 18 below. The increase in these key elements recorded in this segment showed an increase in the business operation activities. For example, a new marketing team was



formed with middle-level section leaders taking each marketing region's responsibilities. In this way, both local and foreign markets' responsibilities were more clearly associated and enhanced the marketing teams' effectiveness and efficiency.

Table 18 Comparison of Key Activities Segment – Company 1 (Before and after Implementation Phase)

Key Activities (Before)	Key Activities (After)
1. Manufacturing of belt for industrial use.	1. Manufacturing of belt for industrial usage.
2. Extensive safety testing of finished products to ensure reputation and quality for customers.	2. Extensive safety testing of finished products to ensure reputation and quality for customers.
3. Automation and streamlining to lower cost for customers.	3. Automation and streamlining to lower cost for customers.
4. R&D to increase quality and improve manufacturing processes.	4. R&D to increase quality and improve manufacturing processes.
	5. Marketing focus.
	6. Internal management which emphasize on the middle-level section leaders.
	7. Automated billing and payments made via Banking systems.

Key Resources Segment – Company 1

In the Key Resources Segment comparison table (See Table 19), we again observed a significant increase in the key elements recorded throughout the integration process. First, the participant recorded four key elements in this segment before the implementation phase, namely, 1. Human Capital in Engineering for R&D, 2. Capital resources in manufacturing equipment, 3. Raw materials (Steel, rubber, plastic, aluminum, etc.) and 4. Customers portfolio from the parent company. After the implementation phase, two additional key elements were recorded, namely, 1. Expanded local market and neighboring countries portfolio, 2. Newly installed IT systems and networks as shown in Table 19 below. The increase in these key elements recorded in this segment showed an increase in its key resources. These assets are the foremost important resources required to form a business model. These

are the assets that permit an endeavor to make and offer a value proposition, reach markets, keep up connections with client segments, and gain incomes.

Table 19 Comparison of Key Resources Segment – Company 1 (Before and after Implementation Phase)

Key Resources (Before)	Key Resources (After)
1. Human Capital in Engineering for R&D.	1. Human Capital in Engineering for R&D.
2. Capital resources in manufacturing equipment.	2. Capital resources in manufacturing equipment.
3. Raw materials (Steel, rubber, plastic, aluminium, etc.)	3. Raw materials (Steel, rubber, plastic, aluminium, etc.)
4. Customers portfolio from parent company.	4. Customers portfolio from parent company.
	5. Expanded local market and neighboring countries portfolio.
	6. Newly installed IT systems and networks.

Value Propositions Segment – Company 1

In the Value Propositions Segment comparison table (See Table 20), we again observed a significant increase in the key elements recorded throughout the integration process. First, the participant recorded two key elements in this segment before the implementation phase, namely, 1. To provide affordable belts for industrial use for customers, and 2. To provide products of excellent quality and safety. After the implementation phase, three additional key elements were recorded, namely, 1. To enforce enhancing on their existing brand globally, 2. Improvement on good delivery and after-sales services and 3. Initiated systems for electronic billing and payment online, as shown in Table 20 below. The increase in these key elements recorded in this segment proved an increase in its value propositions, which promises values to be delivered, communicated, and acknowledged to their customers.

Table 20 Comparison of Value Propositions Segment – Company 1 (Before and after Implementation Phase)

Value Propositions (Before)	Value Propositions (After)
1. To provide affordable belts for industrial use for customers.	1. To provide affordable belts for industrial use for their customers.
2. To provide products of great quality and safety.	2. To provide products of great quality and safety.
	3. To enforce enhancing on their existing brand globally.
	4. Improvement on good delivery and after sales services.
	5. Initiated systems for electronic billing and payment online.

Customer Relationships Segment – Company 1

In the Customer Relationships Segment comparison table (See Table 21), we could see a minor increase in the key elements recorded throughout the integration process. First, the participant recorded two key elements in this segment before the implementation phase, namely, 1. Excellent customer relationship and after-sales services, and 2. Local and foreign market dealerships to enhance localization, marketing, inquiries, and purchases. After the implementation phase, one additional key element was recorded, namely, 1. Special customer relationship training was conducted for the marketing team to meet the increasing customer base for both foreign and local markets, as shown in Table 21 below. The unique training was meant to boost the marketing team's morale and knowledge to suppress the increasing customer base.

Table 21 Comparison of Customer Relationships Segment – Company 1 (Before and after Implementation Phase)

Customer Relationships (Before)	Customer Relationships (After)
1. Excellent customer relationship and after sales services.	1. Excellent customer relationship and after sales services.
2. Local and foreign market dealerships to enhance localization, marketing, inquiries and purchases.	2. Local and foreign market dealerships to enhance localization, marketing, inquiries and purchases.
	3. Special CR training were conducted for marketing team to meet the increasing customer base for both foreign and local markets.

Customer Segment – Company 1

In the Customer Segment comparison table (See Table 22), we again observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded four key elements in this segment before the implementation phase, namely, 1. Customer portfolio from the parent company, which is located around this region, 2. Customers that are looking for low-cost belts for industrial use, 3. Customers that are looking for high-quality and safety belts for industrial use, and 4. Expanding the foreign and local markets. After the implementation phase, one additional key element was recorded, namely, 1. Focusing more on the neighboring countries, especially Vietnam, Laos, and Malaysia, as shown in Table 22 below. In this segment, the company focused on enhancing focus on customer segments in neighboring countries, especially Vietnam, Laos, and Malaysia.

Table 22 Comparison of Customer Segment – Company 1 (Before and after Implementation Phase)

Customer Segments (Before)	Customer Segments (After)
1. Customer portfolio from parent company which are located around this region.	1. Customer portfolio from parent company which are located around this region.
2. Customers looking for low cost belts for industrial use.	2. Customers looking for low cost belts for industrial use.
3. Customers looking for high quality and safety belts for industrial use.	3. Customers looking for high quality and safety belts for industrial use.
4. Expanding the foreign and local markets.	4. Expanding the foreign and local markets.
	5. Focusing more on the neighboring countries especially Vietnam, Laos and Malaysia.

Channels Segment – Company 1

In the Channels Segment comparison table (See Table 23), we observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded two key elements in this segment before the implementation phase, namely, 1. Local distribution channels through local market dealerships, and 2. Paid advertisement on multiple media channels, e.g., website, WeChat groups, LINE application, etc. After the implementation phase, two additional key elements were recorded, namely, 1. Local and foreign countries exhibitions on related product categories, and 2. Global distribution via secured delivery channels with long-term relationships is shown in Table 23 below. The distribution channel's primary function is to assemble the goods from different manufacturers and make them available to the consumer. Apart from this, the channel members also perform several other functions like buying, carrying inventory, selling, transporting, financing, etc. These functions enable products and information to flow from manufacturer to user in a timely and efficient manner (Sanchita, 2020).

Table 23 Comparison of Channels Segment – Company 1 (Before and after Implementation Phase)

Channels (Before)	Channels (After)
1. Local distribution channels through local market dealerships.	1. Local distribution channels through local market dealerships.
2. Paid advertisement on multiple media channels, e.g. website, WeChat groups, LINE application, etc.	2. Paid advertisement on multiple media channels, e.g. website, WeChat groups, LINE application, etc.
	3. Local and foreign countries exhibitions on related product categories.
	4. Global distribution via secured delivery channels with long-term relationships.

Cost Segment – Company 1

In the Cost Segment comparison table (See Table 24), we again observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. Primary costs are related to R&D to innovate in quality and safety measures, specification of products, raw materials, and manufacturing costs, 2. Secondary costs arise from marketing on multiple platforms and continuous automation of manufacturing processes, and 3. Economies of scale utilization were acquired by sourcing from key partners, allowing them to save raw material costs, large-scale production, and mass-market customer segment. After the implementation phase, one additional key element was recorded, namely, 1. Primary costs were monitor closely during this period (3 months), and efficient gaps were narrowed to ensure maximum use of related funds, as shown in Table 24 below.

Table 24 Comparison of Cost Segment – Company 1 (Before and after Implementation Phase)

Cost Structure (Before)	Cost Structure (After)
1. Primary costs are related to R&D to innovate in quality and safety measures, specification of products, raw materials as well as manufacturing costs.	1. Primary costs are related to R&D to innovate in quality and safety measures, specification of products, raw materials as well as manufacturing costs.
2. Secondary costs arise from marketing on multiple platforms as well as continuous automation of manufacturing processes.	2. Secondary costs arise from marketing on multiple platforms as well as continuous automation of manufacturing processes.
3. Economies of scale utilization was acquired through sourcing from key partners which allows them to save raw material costs, large scale production and mass-market customer segment.	3. Economies of scale utilization was acquired through sourcing from key partners which allows them to save raw material costs, large scale production and mass-market customer segment.
	4. Primary costs were monitor closely during this period (3 months) and efficient gaps were narrowed to ensure maximum use of related funds.

Revenue Segment – Company 1

In the Revenue Segment comparison table (See Table 25), we observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. The primary revenue stream comes from the sales of belts, which is their main product, 2. Secondary revenue streams come from OEM production for other companies that are value-added resellers, service and maintenance of products and manufacturing equipment, and 3. Customers usually made payments by credit terms of 90-150 days. After the implementation phase, two additional key elements were recorded, namely, 1. Credit payment terms were adjusted to 90 days maximum with financial settlement solutions from financial institutions advised by us, and 2. Revenue from the newly established customer base in Vietnam will be expected in the next quarter, as shown in Table 25 below.



Table 25 Comparison of Revenue Segment – Company 1(Before and after Implementation Phase)

Revenue Streams (Before)	Revenue Streams (After)
1. Primary revenue stream comes from the sales of belts, which is their main product.	1. Primary revenue stream comes from the sales of belts, which is their main product.
2. Secondary revenue streams come from OEM production for other companies which are value added resellers and the service and maintenance of products and manufacturing equipment.	2. Secondary revenue streams come from OEM production for other companies which are value added resellers and the service and maintenance of products and manufacturing equipments.
3. Customers usually made payments by credit-terms of 90-150 days.	3. Customers usually made payments by credit-terms of 90-150 days.
	4. Credit payment terms were adjusted to 90 days maximum with the help of financial settlement solutions from financial institutions advised by the researcher.
	5. Revenue from the newly established customer base in Vietnam will be expected in the next quarter.

In summary, through the integration process using the business canvas model, strategic management, and lean startup template for developing new or documenting existing business models, the result findings were very impressive with obvious increasing new ideas, business opportunities, and innovations formed from the beginning. As we had already mentioned in previous chapters, the business canvas model is a visual chart with elements that describes a company's or product's value proposition, infrastructure, customers, and finances. It is now the standard used by startups and companies like Microsoft, GE, MasterCard. The goal is to look beyond spreadsheets, market research, and financial projections. It is exciting to note that although the main focus is to establish a business model's foundation, it also helps in enhancing business as it evolves. Table 26 below showed a comparison of the number of new ideas, business opportunities, and innovations created during the integration process for Company 1. The total number of new ideas, business opportunities, and innovations created during the integration process for Company 1 was 20.

Table 26 Comparison of New Ideas, Business Opportunities, and Innovations Created During the Integration Process for Company 1

The Business Model Canvas Summary		Designed for: Thai WP Engineering Co., Ltd. (Company 1) Designed by: Mr. Chidchai Muensriphum		Date of recording before implementation phase: 05062020 Date of recording after implementation phase: 25092020
No.	Business Canvas Model Key Segments	New Ideas, Business opportunities and Innovation generated (Before)	New Ideas, Business opportunities and Innovation generated (After)	New Ideas, Business opportunities and Innovation generated (Increased)
1	Key Partners	3	8	5
2	Key Activities	4	7	3
3	Key Resources	4	6	2
4	Value Proposition	2	5	3
5	Customer Relationships	2	3	1
6	Channels	2	4	2
7	Customer Segment	4	5	1
8	Cost	3	4	1
9	Revenue	3	5	2
Total Number of New Ideas, Business Opportunities and Innovations increased during the integration process				20

4.4.1.2 Business Model Canvas Comparison Results – Company 2

In this section, we presented the comparison of the two Business Model Canvas of Company 2. The first was recorded before the implementation phase, dated 9th of June, 2020, and the second recorded after the implementation phase, dated 30th of September, 2020, as shown in Table 27 and Table 28 below.

Table 28 Business Model Canvas – Company 2 (Recorded before Implementation Phase, dated 9th of June, 2020)

The Business Model Canvas					Designed for: Company 2	Designed by: Mr. Chidchal Muenrathiphum	Date: 30/09/2020	
Key Partners		Key Activities		Value Propositions		Customer Relationships	Customer Segments	
1. The ESDZ Industry Association that provides utilities services. 2. Key raw materials suppliers and manufacturing equipment spare parts suppliers. 3. Transport providers including local transportation to the air cargo. 4. Local Banks and foreign Banks such as Bank of China, ICBC that provides financial services locally and internationally. 5. Advisors and experience manufacturers in the same industry both local and foreigners. 6. IT support providers and technical suppliers for operation machineries. 7. Main IT providers and network system technical support companies.		1. Manufacturing of water sprinkle network supplies and accessories. 2. Sales of their products to their customers. 3. Product packaging 4. Management and marketing 5. Accounting 6. Manage 3rd party logistics		1. Most up to date products. 2. One of the best designs globally. 3. They have achieved their brand status in the foreign markets especially in America. 4. Quick delivery and they maintained good after sale services. 5. Easily accessible location both in China and in Thailand. 6. They make use of the latest technology by providing digital payments and bill delivery to their customers. 7. Video conference is assessable to top management from customers directly.		1. Excellent customer relationship and after sales services. 2. Social media and phone contact regularly with potential customers. 3. Enhance customer relationship by conducting special occasion customer visiting and gifts offerings. For example, on customers' birthdays, Christmas Day, New Year Day, etc. 4. Emphasize on quality and efficient delivery services to customers.	1. Customer portfolio from parent company which are located around this region. 2. Manufacturers and buyers who are not end users. 3. As a OEM service provider. 4. Increase customer base with local and foreign trade exhibitions such as the Canton Fair, China International Import Expo which are held annually. 5. Manage new market segmentation by separating clearly between local and foreign base customers. In addition, the segments were divided into different regions to provide better task orientations and coordinations.	
		Key Resources		Channels				
		1. Human resources. 2. Factory, warehouses, trucks. 3. Raw materials. 4. Customer and sales data. 5. Automation systems.		1. Local distribution channels through local market dealerships. 2. Paid advertisement on multiple media channels, eg. website, wechat groups, LINE application, etc. 3. Global distribution via secured delivery channels with long-term relationships. 4. Start internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc. 5. Establish direct home delivery for both local and foreign markets.				
		Cross-Culture Integration						
		1. They have more than 50% of Chinese speaking employees who are either Chinese graduates from China or Chinese major students who graduates from universities in Thailand. 2. Approximately more than half of the employees attended the Chinese language and culture course (8 weeks) in their participation in this research study. 3. Top management who are Chinese expatriates from China have gone through intense cross-cultural training and passed examinations on related issues concerning cross-cultural competency. 4. Continuation of Chinese language and culture courses will be initiated for all employees. 5. Excellent local staffs will be rewarded and promoted to important position to enhance localization and they will have the chance to engage in training in their parent company in China. 6. Top managements have an open minded towards narrowing the culture gaps starting with cross-cultural training for their employees and self-upgrading themselves while working in a Thai environment.						
Cost Structure				Revenue Streams				
1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc. 2. Secondary costs arise from administration and marketing costs such as advertising, sales marketing, communications, insurance, taxes, etc. 3. New structured costs were reserved for R&D to maintain high quality and design innovation of their products. Administration and marketing cost were decreased due to re-structuring of the marketing team.				1. Primary revenue stream comes from the sales of finished products. 2. Secondary revenue streams come from OEM production for other companies, fulfillment of installation projects. 3. Customers usually made payments by credit-terms of 60-90 days. 4. Expected revenue from increase customer base and new market segmentation.				

Designed by: Strategizer AG

Moreover, we compared both recorded Business Model Canvas of the participants after the implementation phases in the latter section. Both records' overall progress showed a significant increase upon decisive elements in each of the Business Model Canvas's key segments. The key segments recorded using the Business Model Canvas for Company 2 were presented in details as follows:

Key Partners Segment – Company 2

In the Key Partners Segment comparison table (See Table 29), we could see a significant increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. The ESDZ Industry Association that provides utility services, 2. Key raw materials suppliers and manufacturing equipment spare parts suppliers, and 3. Transport providers, including local transportation to the air cargo. After the implementation phase, four additional key elements were recorded, namely, 1. Local banks and foreign banks such as Bank of China, ICBC that provides financial services locally and internationally, 2. Advisors and experienced manufacturers in the same industry, both local and foreigners, 3. IT support providers and technical suppliers for operating machinery, and 4. Leading IT providers and network system technical support companies as shown in Table 29 below. Key Partners in the Business Model Canvas of Company 1, the increase in these key elements recorded as evidence of the progressive interventions and improvements and proved the effectiveness of the CBMIP. Therefore, in this section, we would like to conclude that the ESDZ Business Model Innovation Process was proven effective by the evidence shown in this section of the Business Model Canvas.

Table 29 Comparison of Key Partner Segment – Company 2 (Before and after Implementation Phase)

Key Partners (Before)	Key Partners (After)
1. The ESDZ Industry Association that provides utilities services.	1. The ESDZ Industry Association that provides utilities services.
2. Key raw materials suppliers and manufacturing equipment spare parts suppliers.	2. Key raw materials suppliers and manufacturing equipment spare parts suppliers.
3. Transport providers including local transportation to the air cargo.	3. Transport providers including local transportation to the air cargo.
	4. Local Banks and foreign Banks such as Bank of China, ICBC that provides financial services locally and internationally.
	5. Advisors and experience manufacturers in the same industry both local and foreigners.
	6. IT support providers and technical suppliers for operation machineries.
	7. Main IT providers and network system technical support companies.

Key Activities Segment – Company 2

In the Key Activities Segment comparison table (See Table 30), we again observed a significant increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. Manufacturing of water sprinkle network supplies and accessories, 2. Sales of their products to their customers and 3. Product packaging. After the implementation phase, three additional key elements were recorded, namely, 1. Management and marketing, 2. Accounting and 3. Manage third-party logistics as shown in Table 30 below. The increase in these key elements recorded in this segment showed an increase in the business operation activities as in the previous section of the recordings done with Company 1.



Table 30 Comparison of Key Activities Segment – Company 2 (Before and after Implementation Phase)

Key Activities (Before)	Key Activities (After)
1. Manufacturing of water sprinkle network supplies and accessories.	1. Manufacturing of water sprinkle network supplies and accessories.
2. Sales of their products to their customers.	2. Sales of their products to their customers.
3. Product packaging	3. Product packaging
	4. Management and marketing
	5. Accounting
	6. Manage 3rd party logistics

Key Resources Segment – Company 2

In the Key Resources Segment comparison table (See Table 31), we again observed a significant increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. Human resources, 2. Factory, warehouses, trucks, and 3. Raw materials. After the implementation phase, two additional key elements were recorded, namely, 1. Customer and sales data, and 2. Automation systems as shown in Table 31 below. The increase in these key elements re-recorded in this segment showed an increase in its key resources.

Table 31 Comparison of Key Resources Segment – Company 2 (Before and after Implementation Phase)

Key Resources (Before)	Key Resources (After)
1. Human resources.	1. Human resources.
2. Factory, warehouses, trucks.	2. Factory, warehouses, trucks.
3. Raw materials.	3. Raw materials.
	4. Customer and sales data.
	5. Automation systems.

Value Propositions Segment – Company 2

In the Value Propositions Segment comparison table (See Table 32), we again observed a significant increase in the key elements recorded throughout the integration process. First, the participant recorded four key elements in this segment before the implementation phase, namely, 1. Most up-to-date products, 2. One of the best designs globally, 3. They have achieved their brand status in the foreign markets, especially in America, and 4. Quick delivery and they maintained good after-sale services. After the implementation phase, three additional key elements were recorded, namely, 1. Easily accessible location in China and Thailand, 2. They use the latest technology by providing digital payments and bill delivery to their customers, and 3. Video conference is assessable to top management from customers directly, as shown in Table 32 below. The increase in these key elements recorded in this segment proved an increase in the company's value propositions as in the previous section of the recordings done with Company 1.

Table 32 Comparison of Value Propositions Segment – Company 2 (Before and after Implementation Phase)

Value Propositions (Before)	Value Propositions (After)
1. Most up to date products.	1. Most up to date products.
2. One of the best designs globally.	2. One of the best designs globally.
3. They have achieved their brand status in the foreign markets especially in America.	3. They have achieved their brand status in the foreign markets especially in America.
4. Quick delivery and they maintained good after sale services.	4. Quick delivery and they maintained good after sale services.
	5. Easily accessible location both in China and in Thailand.
	6. They make use of the latest technology by providing digital payments and bill delivery to their customers.
	7. Video conference is assessable to top management from customers directly.

Customer Relationships Segment – Company 2

In the Customer Relationships Segment comparison table (See Table 33), we could see a minor increase in the key elements recorded throughout the integration process. First, the participant recorded two key elements in this segment before the implementation phase, namely, 1. Excellent customer relationship and after-sales services, and 2. Social media and phone regularly contact potential customers. After the implementation phase, two additional key elements were recorded, namely, 1. Enhance customer relationships by conducting special occasion customer visiting and gift offerings. For example, on customers' birthdays, Christmas Day, New Year Day, etc., and 2. Emphasize quality and efficient delivery services to customers, as shown in Table 33 below.

Table 33 Comparison of Customer Relationships Segment – Company 2 (Before and after Implementation Phase)

Customer Relationships (Before)	Customer Relationships (After)
1. Excellent customer relationship and after sales services.	1. Excellent customer relationship and after sales services.
2. Social media and phone contact regularly with potential customers.	2. Social media and phone contact regularly with potential customers.
	3. Enhance customer relationship by conducting special occasion customer visiting and gifts offerings. For example, on customers' birthdays, Christmas Day, New Year Day, etc.
	4. Emphasize on quality and efficient delivery services to customers.

Customer Segment – Company 2

In the Customer Segment comparison table (See Table 34), we observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. Customer portfolio from the parent company, which is located around this region, 2. Manufacturer and buyers who are not end-users, 3. As an OEM service provider. After the implementation phase, two additional

key elements were recorded, namely, 1. Increase customer base with local and foreign trade exhibitions such as the Canton Fair, China International Import Expo, which are held annually, and 2. Manage new market segmentation by clearly separating between local and foreign base customers. In addition, the segments were divided into different regions to provide better task orientations and coordination, as shown in Table 34 below. In this segment, the company focused on enhancing focus on customer segments in neighboring countries, especially Vietnam, Laos, and Malaysia.

Table 34 Comparison of Customer Segment – Company 2 (Before and after Implementation Phase)

Customer Segments (Before)	Customer Segments (After)
1. Customer portfolio from parent company which are located around this region.	1. Customer portfolio from parent company which are located around this region.
2. Manufactures and buyers who are not end users.	2. Manufactures and buyers who are not end users.
3. As a OEM service provider.	3. As a OEM service provider.
	4. Increase customer base with local and foreign trade exhibitions such as the Canton Fair, China International Import Expo which are held annually.
	5. Manage new market segmentation by separating clearly between local and foreign base customers. In addition, the segments were divided into different regions to provide better task orientations and coordination.

Channels Segment – Company 2

In the Channels Segment comparison table (See Table 35), we observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded two key elements in this segment before the implementation phase, namely, 1. Local distribution channels through local market dealerships, and 2. Paid advertisement on multiple media channels, e.g., website, WeChat groups, LINE application, etc. After the implementation phase, three additional key elements were recorded, namely, 1. Global distribution via secured

delivery channels with long-term relationships. 2. Start internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc., and 3. Establish direct home delivery for both local and foreign markets, as shown in Table 35 below.

Table 35 Comparison of Channels Segment – Company 2 (Before and after Implementation Phase)

Channels (Before)	Channels (After)
1. Local distribution channels through local market dealerships.	1. Local distribution channels through local market dealerships.
2. Paid advertisement on multiple media channels, e.g. website, WeChat groups, LINE application, etc.	2. Paid advertisement on multiple media channels, e.g. website, WeChat groups, LINE application, etc.
	3. Global distribution via secured delivery channels with long-term relationships.
	4. Start internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc.
	5. Establish direct home delivery for both local and foreign markets.

Cross-Culture Integration Segment – Company 2

In the Cross-Culture Integration Segment comparison table (See Table 36), we observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. They have more than 50% of Chinese-speaking employees who are either Chinese graduates from China or students who graduate from universities in Thailand that studied major in Chinese, 2.

Approximately more than half of the employees attended the Chinese language and culture course (8 weeks) in their participation in this research study, and 3. Top management Chinese expatriates from China have gone through intense cross-cultural training and passed examinations on related issues concerning cross-cultural competency. After the implementation phase, three additional key elements were recorded, namely, 1. Continuation of Chinese language and culture courses will be initiated for all employees, 2. Excellent local staff will be rewarded and promoted to

important positions to enhance localization, and they will have the chance to engage in training in their parent company in China and 3. Top managements are open-minded towards narrowing the culture gaps starting with cross-cultural training for their employees and self-upgrading themselves while working in a Thai environment, as shown in Table 36 below.

This cross-culture integration segment was included in the ESDZ Business Model Innovation Process as designed according to the literature theories reviewed and the results of phase 1 of this research study. This segment is the only segment that differs between the two Business Model Canvas Business Model Innovation Processes used for Company 1 (CBMIP) and Company 2 (ESDZ Business Model Innovation Process). In the previous Chapters, we have already mentioned that cross-cultural competency is a crucial factor contributing to Chinese corporations' business performance in the ESDZ. This segment of the Business Model Canvas also showed an increase in the key elements after the integration process. Company 2 has positive understandings, opinions, anticipations, and expectations concerning cross-culture integrations during the process.

Table 36 Comparison of Cross-Culture Integration Segment – Company 2 (Before and after Implementation Phase)

Cross-Culture Integration (Before)	Cross-Culture Integration (After)
1. They have more than 50% of Chinese speaking employees who are either Chinese graduates from China or Chinese major students who graduates from universities in Thailand.	1. They have more than 50% of Chinese speaking employees who are either Chinese graduates from China or Chinese major students who graduates from universities in Thailand.
2. Approximately more than half of the employees attended the Chinese language and culture course (8 weeks) in their participation in this research study.	2. Approximately more than half of the employees attended the Chinese language and culture course (8 weeks) in their participation in this research study.
3. Top management who are Chinese expatriates from China have gone through intense cross-cultural training and passed examinations on related issues concerning cross-cultural competency.	3. Top management who are Chinese expatriates from China have gone through intense cross-cultural training and passed examinations on related issues concerning cross-cultural competency.
	4. Continuation of Chinese language and culture courses will be initiated for all employees.
	5. Excellent local staffs will be rewarded and promoted to important position to enhance localization and they will have the chance to engage in training in their parent company in China.
	6. Top managements have an open minded towards narrowing the culture gaps starting with cross-cultural training for their employees and self-upgrading themselves while working in a Thai environment.

Cost Segment – Company 2

In the Cost Segment comparison table (See Table 37), we again observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded two key elements in this segment before the implementation phase, namely, 1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc., and 2. Secondary costs arise from administration and marketing costs such as advertising, sales marketing, communications, insurance, taxes, etc. After the implementation phase, two additional key elements were recorded, namely, 1. New structured costs were reserved for R&D to maintain high quality and design innovation of their products, and 2. Administration and marketing costs were decreased due to the marketing team's restructuring, as shown in Table 37 below.

Table 37 Comparison of Cost Segment – Company 2 (Before and after Implementation Phase)

Cost Structure	Cost Structure
1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc.	1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc.
2. Secondary costs arise from administration and marketing costs such as advertising, sales marketing, communications, insurance, taxes, etc.	2. Secondary costs arise from administration and marketing costs such as advertising, sales marketing, communications, insurance, taxes, etc.
	3. New structured costs were reserved for R&D to maintain high quality and design innovation of their products.
	4. Administration and marketing cost were decreased due to re-structuring of the marketing team.

Revenue Segment – Company 2

In the Revenue Segment comparison table (See Table 38), we observed a minor increase in the key elements recorded throughout the integration process. First, the participant recorded three key elements in this segment before the implementation phase, namely, 1. The primary revenue stream comes from the sales of finished products, 2. Secondary revenue streams come from OEM production for

other companies, fulfillment of installation projects, and 3. Customers usually made payments by credit terms of 60-90 days. After the implementation phase, one additional key element was recorded, namely, 1. Expected revenue from the increased customer base and new market segmentation as shown in Table 38 below.

Table 38 Comparison of Revenue Segment – Company 2 (Before and after Implementation Phase)

Revenue Streams (Before)	Revenue Streams (After)
1. Primary revenue stream comes from the sales of finished products.	1. Primary revenue stream comes from the sales of finished products.
2. Secondary revenue streams come from OEM production for other companies, fulfillment of installation projects.	2. Secondary revenue streams come from OEM production for other companies, fulfillment of installation projects.
3. Customers usually made payments by credit-terms of 60-90 days.	3. Customers usually made payments by credit-terms of 60-90 days.
	4. Expected revenue from increase customer base and new market segmentation.

In summary, we again found that through the integration process using the business canvas model, the results' findings were very impressive, with obvious increasing new ideas, business opportunities, and innovations formed from the beginning for Company 2. Table 39 below showed a comparison of the number of new ideas, business opportunities, and innovations created during the integration process for Company 2. The total number of new ideas, business opportunities, and innovations created during the integration process for Company 1 was 25.

Table 39 Comparison of New Ideas, Business Opportunities, and Innovations Created During the Integration Process for Company 2

The Business Model Canvas Summary		Designed for: FEZ Internatoonal Co., Ltd. (Company 2) Designed by: Mr. Chidchai Muensriphum		Date of recording before implementation phase: 09062020 Date of recording after implementation phase: 30092020
No.	Business Canvas Model Key Segments	New Ideas, Business opportunities and Innovation generated (Before)	New Ideas, Business opportunities and Innovation generated (After)	New Ideas, Business opportunities and Innovation generated (Increased)
1	Key Partners	3	7	4
2	Key Activities	3	6	3
3	Key Resources	3	5	2
4	Value Proposition	4	7	3
5	Customer Relationships	2	4	2
6	Channels	2	5	3
7	Customer Segment	3	5	2
8	Culture Integration	3	6	3
9	Cost	2	4	2
10	Revenue	3	4	1
Total Number of New Ideas, Business Opportunities and Innovations increased during the integration process				25

4.4.1.3 BMC Comparison Results – Company 1 and 2

We have completed comparing the Business Model Canvas results of both companies before and after the implementation phase of both business model innovation processes. In this section, the research will present the comparison of the Business Model Canvas results of both companies that were obtained after the implementation phase of both business model innovation processes as follows:

Key Partners Segment – Company 1 and 2

In the Key Partners Segment comparison table (See Table 40), we could see that Company 1 has eight key elements recorded, namely, 1. Other belts for industrial use and manufacturers can partner with and share engineering technology and help lower R&D cost, 2. Key raw material suppliers and manufacturing equipment spare parts suppliers, 3. Local and foreign dealerships that help stock and distribute their products to customers, 4. The ESDZ Industry Association that provides utility services and outsource labor services, 5. Truck companies that provide delivery services, 6. Local banks provide financial services, especially the transfer of funds to and from other countries, 7. Mentors and Gurus and 8. Other



relative associations that provide important data and information on investments and the local market.

On the other hand, Company 2 has seven key elements recorded, namely, 1. The ESDZ Industry Association that provides utility services, 2. Key raw materials suppliers and manufacturing equipment spare parts suppliers, 3. IT support providers and technical suppliers for operation machinery, 4. Transport providers, including local transportation to the air cargo, 5. Local banks and foreign banks such as Bank of China, ICBC that provides financial services locally and internationally, 6. Advisors and experienced manufacturers in the same industry, both local and foreigners, and 7. Main IT providers and network system technical support companies as shown in Table 40 below.

Table 40 Comparison of Key Partners Segment (Company 1 and 2 after Implementation Phase)

Key Partners (Company 1)	Key Partners (Company 2)
1. Other belt for industrial use manufacturers that they can partner with and share engineering technology and help lower R&D cost.	1. The ESDZ Industry Association that provides utilities services.
2. Key raw material suppliers and manufacturing equipment spare parts suppliers.	2. Key raw materials suppliers and manufacturing equipment spare parts suppliers.
3. Local and foreign dealerships that help stock and distribute their products to customers.	3. Transport providers including local transportation to the air cargo.
4. The ESDZ Industry Association that provides utilities and outsource labor services.	4. Local Banks and foreign Banks such as Bank of China, ICBC that provides financial services locally and internationally.
5. Trucks companies that provide delivery services.	5. Advisors and experience manufacturers in the same industry both local and foreigners.
6. Local Banks that provide financial services, especially transfer of funds to and from other countries.	6. IT support providers and technical suppliers for operation machineries.
7. Mentors and Gurus.	7. Main IT providers and network system technical support companies.
8. Other relative associations which provide important data and information on investments and local market.	

We identified that the Business Model Canvas records in the Key Partners Segments were virtually comparable to the above findings. There is a total of five similar key elements, namely, 1. The ESDZ Industry Association that provides utility services, 2. Key raw materials suppliers and manufacturing equipment spare parts suppliers, 3. Transport providers, including local transportation to the air cargo, 4. Local banks and foreign banks such as Bank of China, ICBC that provides financial services locally and internationally, and 5. Advisors and experienced manufacturers in the same industry, both local and foreign.

On the other hand, there is a total of five key elements which are antithetical, namely, 1. Other belts for industrial use and manufacturers that can partner with and share engineering technology and help lower R&D cost, 2. Local and foreign dealerships that help stock and distribute their products to customers, 3. Other relative associations that provide important data and information on investments and the local market from Company 1, 4. IT support providers and technical suppliers for operation machinery, and 5. Main IT providers and network system technical support companies Company 2. Most importantly, both Business Model Canvas recorded an increase in key elements compared to those measured before this research's intervention phase.

Key Activities Segment – Company 1 and 2

In the Key Activities Segment comparison table (See Table 41), we could see that Company 1 has seven key elements recorded, namely, 1. Manufacturing of belt for industrial usage, 2. Extensive safety testing of finished products to ensure reputation and quality for customers, 3. Automation and streamlining to lower cost for customers, 4. R&D to increase quality and improve manufacturing processes, 5. Marketing focus, 6. Internal management that emphasizes the middle-level section leaders, and 7. Automated billing and payments made via Banking systems. On the other hand, Company 2 has six key elements recorded, namely, 1. Manufacturing of water sprinkle network supplies and accessories, 2. Sales of their products to their customers, 3. Product packaging, 4. Management and

marketing, 5. Accounting and 6. Manage third-party logistics as shown in Table 41 below.

Table 41 Comparison of Key Activities Segment (Company 1 and 2 after Implementation Phase)

Key Activities (Company 1)	Key Activities (Company 2)
1. Manufacturing of belt for industrial usage.	1. Manufacturing of water sprinkle network supplies and accessories.
2. Extensive safety testing of finished products to ensure reputation and quality for customers.	2. Sales of their products to their customers.
3. Automation and streamlining to lower cost for customers.	3. Product packaging
4. R&D to increase quality and improve manufacturing processes.	4. Management and marketing
5. Marketing focus.	5. Accounting
6. Internal management which emphasize on the middle-level section leaders.	6. Manage 3rd party logistics
7. Automated billing and payments made via Banking systems.	

From the above findings, we identified that the Key Activities Segments of the Business Model Canvas records were identical due to the different key activities recorded and the nature of the individual company's industry. However, both companies are in the manufacturing industry, and their main activities are manufacturing, except that the finished products are different. They also recorded activities related to management and marketing, which were similar findings for both companies. Company 1 focuses more on its R&D for quality and low-cost and technology enhancement. While on the other hand, Company 2 recorded a series of internal activities such as accounting, management of third-party logistics, and product finishing processes such as packaging.

Key Resources Segment – Company 1 and 2

In the Key Resources Segment comparison table (See Table 42), we could see that Company 1 has six key elements recorded, namely, 1. Human capital in Engineering for R&D, 2. Capital resources in manufacturing equipment, 3. Raw

materials (Steel, rubber, plastic, aluminum, etc.), 4. Customers portfolio from the parent company, 5. Expanded local market and neighboring countries portfolio, and 6. Newly installed IT systems and networks. On the other hand, Company 2 has five key elements recorded, namely, 1. Human resources, 2. Factory, warehouses, and trucks, 3. Raw materials, 4. Customer and sales data, and 5. Automation systems as shown in Table 40 below.

Table 42 Comparison of Key Resources Segment (Company 1 and 2 after Implementation Phase)

Key Resources (Company 1)	Key Resources(Company 2)
1. Human Capital in Engineering for R&D.	1. Human resources.
2. Capital resources in manufacturing equipment.	2. Factory, warehouses, trucks.
3. Raw materials (Steel, rubber, plastic, aluminium, etc.)	3. Raw materials.
4. Customers portfolio from parent company.	4. Customer and sales data.
5. Expanded local market and neighboring countries portfolio.	5. Automation systems.
6. Newly installed IT systems and networks.	

From the above findings, we again identified that the Key Resources Segments of the Business Model Canvas records were virtually comparable. All five key elements of Company 2, namely, 1. Human resources, 2. Equipment resources, 3. Raw materials, 4. Customer and sales data, and 5. Automation systems were similar to those of Company 1. The only distinct key element in this segment was the expanded local market and neighboring country portfolio of Company 1. Hence, this segment again clearly showed that the key elements of both companies were recorded comparably.

Value Propositions Segment – Company 1 and 2

In the Value Propositions Segment comparison table (See Table 43), we could see that Company 1 has five key elements recorded, namely, 1. To provide affordable belts for industrial use for their customers, 2. To provide products of great

quality and safety, 3. To enforce enhancing on their existing brand globally, 4. Improvement on good delivery and after-sales services, and 5. Initiated systems for electronic billing and payment online.

On the other hand, Company 2 has seven key elements recorded, namely, 1. Most up-to-date products, 2. One of the best designs globally, 3. They have achieved their brand status in the foreign markets, especially in America, 4. Quick delivery and they maintained good after-sale services, 5. Easily accessible location in China and Thailand, 6. They use the latest technology by providing digital payments and bill delivery to their customers, and 7. Video conference is assessable to top management from customers directly, as shown in Table 43 below.

Table 43 Comparison of Value Proposition Segment (Company 1 and 2 after Implementation Phase)

Value Propositions (Company 1)	Value Propositions (Company 2)
1. To provide affordable belts for industrial use for their customers.	1. Most up to date products.
2. To provide products of great quality and safety.	2. One of the best designs globally.
3. To enforce enhancing on their existing brand globally.	3. They have achieved their brand status in the foreign markets especially in America.
4. Improvement on good delivery and after sales services.	4. Quick delivery and they maintained good after sale services.
5. Initiated systems for electronic billing and payment online.	5. Easily accessible location both in China and in Thailand.
	6. They make use of the latest technology by providing digital payments and bill delivery to their customers.
	7. Video conference is assessable to top management from customers directly.

From the above findings, we again identified that the Key Resources Segments of the Business Model Canvas records were virtually comparable. The comparable key elements of Company 1 recorded in this segment were namely, 1. To provide affordable belts for industrial use for their customers, 2. To provide products of excellent quality and safety, 3. To enforce enhancing on their existing brand globally, 4. Improvement on good delivery and after-sales services and 5. Initiated systems for electronic billing and payment online, which matches with those of

Company 2. Different key elements found in both companies were namely, 1. Most up-to-date products, 2. One of the best designs globally, 3. They have achieved their brand status in the foreign markets, especially in America, 4. Quick delivery and they maintained good after-sale services, 5. Easily accessible location in China and Thailand, and 6. They make use of the latest technology by providing digital payments and bill delivery to their customers.

Customer Relationships Segment – Company 1 and 2

In the Customer Relationships Segment comparison table (See Table 44), we could see that Company 1 has three key elements recorded, namely, 1. Excellent customer relationship and after-sales services, 2. Local and foreign market dealerships to enhance localization, marketing, inquiries, and purchases, and 3. Special CR training was conducted for the marketing team to meet the increasing customer base for both foreign and local markets. On the other hand, Company 2 has four key elements recorded, namely, 1. Excellent customer relationship and after-sales services, 2. Social media and phone regular contact with potential customers, 3. Enhance customer relationships by conducting special occasion customer visiting and gift offerings. For example, on customers' birthdays, Christmas Day, New Year Day, etc., and 4. Emphasize quality and efficient delivery services to customers, as shown in Table 44 below.

Table 44 Comparison of Customer Relationships Segment (Company 1 and 2 after Implementation Phase)

Customer Relationships (Company 1)	Customer Relationships (Company 2)
1. Excellent customer relationship and after sales services.	1. Excellent customer relationship and after sales services.
2. Local and foreign market dealerships to enhance localization, marketing, inquiries and purchases.	2. Social media and phone contact regularly with potential customers.
3. Special CR training were conducted for marketing team to meet the increasing customer base for both foreign and local markets.	3. Enhance customer relationship by conducting special occasion customer visiting and gifts offerings. For example, on customers' birthdays, Christmas Day, New Year Day, etc.
	4. Emphasize on quality and efficient delivery services to customers.

From the above findings, we identified that the records in the Customer Relationships Segments of the Business Model Canvas were comparable, although both companies had different recordings, as shown in Table 44 above. At least one key element was identified similarly, namely, 1. Excellent relationships and after-sales services. Company 1 recordings showed that the company focuses on its customer relationships for both local and foreign markets. At the same time, Company 2 chose to focus on their local customer relationships by improving on regular customer contacting for relationship building and their delivery services for fast delivery to their valuable customers.

Channels Segment – Company 1 and 2

In the Channels Segment comparison table (See Table 45), we could see that Company 1 has four key elements recorded, namely, 1. Local distribution channels through local market dealerships, 2. Paid advertisement on multiple media channels, e.g., website, WeChat groups, LINE application, etc., 3. Local and foreign countries exhibitions on related product categories, and 4. Global distribution via secured delivery channels with long-term relationships. On the other hand, Company 2 has five key elements recorded, namely, 1. Local distribution channels through local market dealerships 2. Paid advertisements on multiple media channels, e.g., website, WeChat groups, LINE application, etc., 3. Global distribution via secured delivery channels with long-term relationships, 4. Start internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc., and 5. Establish direct home delivery for both local and foreign markets, as shown in Table 45 below.



Table 45 Comparison of Channels Segment (Company 1 and 2 after Implementation Phase)

Channels (Company 1)	Channels (Company 2)
1. Local distribution channels through local market dealerships.	1. Local distribution channels through local market dealerships.
2. Paid advertisements on multiple media channels, e.g. website, WeChat groups, LINE application, etc.	2. Paid advertisements on multiple media channels, e.g. website, Wechat groups, LINE application, etc.
3. Local and foreign countries exhibitions on related product categories.	3. Global distribution via secured delivery channels with long-term relationships.
4. Global distribution via secured delivery channels with long-term relationships.	4. Start internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc.
	5. Establish direct home delivery for both local and foreign markets.

From the above findings, we again identified that the Business Model Canvas records' Channels Segments were virtually comparable. There were three similar key elements out of a total of five records, namely, 1. Local distribution channels through local market dealerships, 2. Paid advertisements on multiple media channels, e.g., website, WeChat groups, LINE application, etc., and 3. Global distribution via secured delivery channels with long-term relationships.

On the other hand, three key elements were antithetical, namely, 1. Local and foreign countries exhibitions on related product categories from Company 1, 2. Start internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc., and 3. Establish direct home delivery for both local and foreign markets from Company 2. This segment again showed similar comparison results from previous segments.

Customer Segment – Company 1 and 2

In the Customer Segment comparison table (See Table 46), we could see that Company 1 has five key elements recorded, namely, 1. Customer portfolio from the parent company, which is located around this region, 2. Customers that are looking for low-cost belts for industrial use, 3. Customers that are looking for high-quality and safety belts for industrial use, 4. Expanding the foreign and local markets,

and 5. Focusing more on the neighboring countries, especially Vietnam, Laos, and Malaysia.

On the other hand, Company 2 also has five key elements recorded, namely, 1. Customer portfolio from the parent company, which is located around this region, 2. Manufacturers and buyers who are not end-users, 3. As an OEM service provider, 4. Increase customer base with local and foreign trade exhibitions such as the Canton Fair, China International Import Expo held annually, and 5. Manage new market segmentation by clearly separating between local and foreign base customers. Also, the segments were divided into different regions to provide better task orientations and coordination, as shown in Table 46 below.

Table 46 Comparison of Customer Segment (Company 1 and 2 after Implementation Phase)

Customer Segments (Company 1)	Customer Segments (Company 2)
1. Customer portfolio from parent company which are located around this region. 2. Customers looking for low cost belts for industrial use. 3. Customers looking for high quality and safety belts for industrial use. 4. Expanding the foreign and local markets. 5. Focusing more on the neighboring countries especially Vietnam, Laos and Malaysia.	1. Customer portfolio from parent company which are located around this region. 2. Manufactures and buyers who are not end users. 3. As a OEM service provider. 4. Increase customer base with local and foreign trade exhibitions such as the Canton Fair, China International Import Expo which are held annually. 5. Manage new market segmentation by separating clearly between local and foreign base customers. In addition, the segments were divided into different regions to provide better task orientations and coordinations.

From the above findings, we identified that the Business Model Canvas records' Customer Segments were comparable, although both of the companies had different recordings, as shown in Table 46 above. At least one key element was identified similarly, namely, 1. Customer portfolio from the parent company, which is located around this region, and both companies are expanding their local and foreign customer segments. Also, the findings showed that Company 1

focuses on low cost, high quality, and safety concern users, while Company 2 focuses on OEM and buyers who are not end-users.

Cost Structure Segment – Company 1 and 2

In the Cost Structure Segment comparison table (See Table 47), we could see that Company 1 has four key elements recorded, namely, 1. Primary costs are related to R&D to innovate in quality and safety measures, specification of products, raw materials, and manufacturing costs, 2. Secondary costs arise from marketing on multiple platforms as well as continuous automation of manufacturing processes, 3. Economies of scale utilization were acquired by sourcing from key partners, allowing them to save raw material costs, large-scale production, and mass-market customer segment, and 4. Primary costs were monitor closely during this period (3 months), and efficient gaps were narrowed to ensure maximum use of related funds.

On the other hand, Company 2 also has four key elements recorded, namely, 1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc., 2. Secondary costs arise from administration and marketing costs such as advertising, sales marketing, communications, insurance, taxes, etc., 3. New structured costs were reserved for R&D to maintain high quality and design innovation of their products, and 4. Administration and marketing costs were decreased due to the marketing team's restructuring, as shown in Table 47 below.

Table 47 Comparison of Cost Structure Segment (Company 1 and 2 after Implementation Phase)

Cost Structure (Company 1)	Cost Structure (Company 2)
<p>1. Primary costs are related to R&D to innovate in quality and safety measures, specification of products, raw materials as well as manufacturing costs.</p> <p>2. Secondary costs arise from marketing on multiple platforms as well as continuous automation of manufacturing processes.</p> <p>3. Economies of scale utilization was acquired through sourcing from key partners which allows them to save raw material costs, large scale production and mass-market customer segment.</p> <p>4. Primary costs were monitor closely during this period (3 months) and efficient gaps were narrowed to ensure maximum use of related funds.</p>	<p>1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc.</p> <p>2. Secondary costs arise from administration and marketing costs such as advertising, sales marketing, communications, insurance, taxes, etc.</p> <p>3. New structured costs were reserved for R&D to maintain high quality and design innovation of their products.</p> <p>4. Administration and marketing cost were decreased due to re-structuring of the marketing team.</p>

From the above findings, we identified that the Cost Structure Segment of the Business Model Canvas records was comparable, although both companies have had different recordings, as shown in Table 47 above. At least two key elements were identified similarly, namely, 1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc., and 2. Secondary costs arise from administration and marketing costs. Also, the findings showed that Company 1 increased its awareness of primary costs during the implementation phase of this research. They have also applied economies of scale by sourcing from key partners, which allows them to save raw material costs, large-scale production, and mass-market customer segment. At the same time, Company 2 was aware of their secondary costs, such as marketing and administrative expenses, and they make use of new structured costs were reserved for R&D to maintain high quality and design innovation of their products.

Revenue Structure Segment – Company 1 and 2

In the Revenue Structure Segment comparison table (See Table 48), we could see that Company 1 has five key elements recorded, namely, 1. The primary revenue stream comes from the sales of belts, which is their main product, 2.

Secondary revenue streams come from OEM production for other companies, which are value-added resellers and the service and maintenance of products and manufacturing equipment, 3. Customers usually made payments by credit terms of 90-150 days, 4. Credit payment terms were adjusted to 90 days maximum with financial settlement solutions from financial institutions advised by us, and 5. Revenue from the newly established customer base in Vietnam will be expected in the next quarter.

On the other hand, Company 2 also has four key elements recorded, namely, 1. The primary revenue stream comes from the sales of finished products, 2. Secondary revenue streams come from OEM production for other companies, fulfillment of installation projects, 3. Customers usually made payments by credit terms of 60-90 days and 4. Expected revenue from the increased customer base and new market segmentation as shown in Table 48 below.

Table 48 Comparison of Revenue Structure Segment (Company 1 and 2 after Implementation Phase)

Revenue Streams (Company 1)	Revenue Streams (Company 2)
1. Primary revenue stream comes from the sales of belts, which is their main product.	1. Primary revenue stream comes from the sales of finished products.
2. Secondary revenue streams come from OEM production for other companies which are value added resellers and the service and maintainance of products and manufacturing equipments.	2. Secondary revenue streams come from OEM production for other companies, fulfillment of installation projects.
3. Customers usually made payments by credit-terms of 90-150 days.	3. Customers usually made payments by credit-terms of 60-90 days.
4. Credit payment terms were adjusted to 90 days maximum with the help of financial settlement solutions from financial institutions advised by the researcher.	4. Expected revenue from increase customer base and new market segmentation.
5. Revenue from the newly established customer base in Vietnam will be expected in the next quarter.	

From the above findings, we again identified that the Business Model Canvas records' Revenue Segments were virtually comparable. There were three similar key elements out of a total of five records, namely, 1. The primary revenue stream comes from the sales of finished products, 2. Secondary revenue streams come

from OEM production, and 3. Expected revenue from the increased customer base and new market segmentation.

On the other hand, there were two key elements that were antithetical, namely, 1. Customers' payments by credit terms for Company 1 were recorded between 90-150 days, and for Company 2, they were recorded between 60-90 days and 2. A record of the changing of the above-mentioned credit terms for Company 1 to 90 days.

In summary of this section, we had compared and illustrated the comparable key elements in each of the crucial segments of the Business Model Canvas for both companies after the implementation phase. We found out that many key elements of both companies are similar due to the nature of these companies' environmental dimensions and the Chinese-styled business strategies implemented by top Chinese managements in these companies, contributing to the Business Model Canvas' key elements. This research study has a record of 27 similar and 41 different key elements for both companies. For the overall progress, both companies had created an impressive number of new ideas, business opportunities, and innovations during the integration process. The total number of new ideas, business opportunities, and innovations created was already mentioned in previous sections. The number of matching and different key elements in each key segment of both companies' Business Model Canvas was shown in Table 49 below.

Table 49 Summary of Matching and Different Key Elements in BMC after Implementation Phase of Company 1 and 2

Summary of Key Elements in Business Model Canvas after Implementation Phase of both companies				
Key Elements/Similarity	Similar Key Elements	Count	Different Key Elements	Count
1. Key Partners	1. The ESDZ Industry Association that provides utilities services; 2. Key raw materials suppliers and manufacturing equipment spare parts suppliers; 3. Transport providers including local transportation to the air cargo; 4. Local Banks and foreign Banks such as Bank of China, ICBC that provides financial services locally and internationally; 5. Advisors and experience manufacturers in the same industry both local and foreigners.	5	1. Other belt for industrial use manufacturers that they can partner with and share engineering technology and help lower R&D cost; 2. Local and foreign dealerships that help stock and distribute their products to customers; 3. Other relative associations which provide important data and information on investments and local market; 4. IT support providers and technical suppliers for operation machineries; 5. Main IT providers and network system technical that support the company.	5
2. Key Activities	1. Manufacturing activities. 2. Marketing and management emphasis.	2	1. Extensive safety testing of finished products to ensure reputation and quality for customers; 2. Automation and streamlining to lower cost for customers; 3. R&D to increase quality and improve manufacturing processes; 4. Automated billing and payments made via Banking systems; 5. Product packaging; 6. Manage 3rd party logistics; 7. Accounting.	7
3. Key Resources	1. Human resources; 2. Equipment resources; 3. Raw materials; 4. Customer and sales data; 5. Automation systems	5	1. Expanded local market and neighboring countries portfolio.	1
4. Value Propositions	1. To provide affordable products for industrial use for their customers; 2. To provide products of great quality and safety; 3. To enforce enhancing on their existing brand globally; 4. Improvement on good delivery and after sales services; 5. Initiated systems for electronic billing and payment online.	5	1. Most up to date products; 2. One of the best designs globally; 3. They have achieved their brand status in the foreign markets especially in America; 4. Quick delivery and they maintained good after sale services; 5. Easily accessible location both in China and in Thailand; 6. They make use of the latest technology by providing digital payments and bill delivery to their customers.	6
5. Customer Relationships	1. Excellent relationships and after sales services	1	1. Local and foreign market dealerships to enhance localization, marketing, inquiries and purchases; 2. Special CR training were conducted for marketing team to meet the increasing customer base for both foreign and local markets; 3. Social media and phone contact regularly with potential customers; 4. Enhance customer relationship by conducting special occasion customer visiting and gifts offerings. For example, on customers' birthdays, Christmas Day, New Year Day, etc.; 5. Emphasize on quality and efficient delivery services to customers.	5
6. Channels	1. Local distribution channels through local market dealerships; 2. Paid advertisements on multiple media channels, e.g., website, WeChat groups, LINE application, etc.; 3. Global distribution via secured delivery channels with long-term relationships.	3	1. Local and foreign countries exhibitions on related product categories; Start internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc.; 3. Establish direct home delivery for both local and foreign markets	3
7. Customer Segments	1. Customer portfolio from parent company which are located around this region and both companies are expanding their local and foreign customer segments.	1	1. Customers looking for low cost belts for industrial use; 2. Customers looking for high quality and safety belts for industrial use; 3. Expanding the foreign and local markets; 4. Focusing more on the neighboring countries especially Vietnam, Laos and Malaysia; 5. Manufactures and buyers who are not end users; 6. As a OEM service provider; 7. Increase customer base with local and foreign trade exhibitions such as the Canton Fair, China International Import Expo which are held annually; 8. Manage new market segmentation by separating clearly between local and foreign base customers. In addition, the segments were divided into different regions to provide better task orientations and coordination.	8
8. Cost Structure	1. Primary costs are related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc.; 2. Secondary costs arise from administration and marketing costs.	2	1. Economies of scale utilization was acquired through sourcing from key partners which allows them to save raw material costs, large scale production and mass-market customer segment; 2. Primary costs were monitor closely during this period (3 months) and efficient gaps were narrowed to ensure maximum use of related funds; 3. New structured costs were reserved for R&D to maintain high quality and design innovation of their products; 4. Administration and marketing cost were decreased due to re-structuring of the marketing team.	4
9. Revenue	1. Primary revenue stream comes from the sales of finished products; 2. Secondary revenue streams come from OEM production; 3. Expected revenue from increase customer base and new market segmentation.	3	1. Customers' payments by credit-terms for Company 1 was recorded between 90-150 days and for Company 2 was recorded between 60-90 days; 2. A record of the changing of the above-mentioned credit terms for Company 1 to 90 days.	2
TOTAL		27		41

We had similar results findings from previous research and implementation results on applying the Business Model Canvas. Business Model Canvas generates positive impacts on companies with existing business strategies that are still expected to provide better and maximum performance. Overall, the Business Model Canvas identifies internal and external factors that influence the company's business model, offers qualitative and quantitative references to formulate a new business model, and

determines the priority of strategies for each business element. Hence, we would like to conclude significant findings in all nine key segments of the Business Model Canvas in the following session.

Key Partners – 1. Partnership with the ESDZ Industry Association that provides utility services, 2. Key raw materials suppliers and manufacturing equipment, 3. Spare parts suppliers, 4. Transport providers including local transportation to the air cargo, 5. Advisors and experienced manufacturers in the same industry both local and foreign and 6. Local banks and foreign banks such as Bank of China, ICBC that provides financial services locally and internationally were established for both companies.

On the other hand, different key elements included 1. other belts for industrial use manufacturers that they can partner with and share engineering technology and help lower R&D cost, 2. local and foreign dealerships that help stock and distribute their products to customers, 3. other relative associations, which provide important data and information on investments and local market, 4. IT support providers and technical suppliers for operating machinery and 5. IT providers and network system technologies that support the company was established individually in each company according to the nature of their business operations.

Key Activities – 1. Established new manufacturing activities and marketing and management emphasis, 2. Improve and enhance extensive safety testing of finished products to ensure reputation and quality for customers, 3. Automation and streamlining to lower cost for customers, 4. R&D to increase quality and improve manufacturing processes, 5. Automated billing and payments made via Banking systems, 6. Product packaging, and 7. Management of third-party logistics and accounting.

Key Resources – Recorded an integration and revised in 1. human resources, 2. equipment resources, 3. raw materials, 4. customer and sales data, 5. automation systems, and 6. an expanded local market and neighboring countries portfolio.

Value Proposition – 1. To provide affordable products for industrial use for their customers, 2. to provide products of excellent quality and safety, 3. to enforce enhancing on their existing brand globally, 4. delivery and after-sales services 5. improvement and initiated systems for electronic billing and payment online for both companies. Conversely, 1. updated products, 2. best globally designs, and 3. established brand status in the foreign markets, especially in America, 4. quick delivery and good after-sale services, and 5. easily accessible locations in China and Thailand were developed individually.

Customer Relationship – 1. Development of advance tactics to improve relationships and after-sales services, 2. Local and foreign market dealerships to enhance localization, marketing, inquiries, and purchases, 3. Special training was conducted for the marketing team to meet the increasing customer base for both foreign and local markets, 4. social media and phone contact regularly with potential customers, 5. enhance customer relationship by conducting special occasion customer visiting and gifts offerings. For example, on customers' birthdays, Christmas Day, New Year Day, etc., and 6. emphasize quality and efficient delivery services to customers.

Channels – 1. Local distribution channels through local market dealerships, 2. paid advertisements on multiple media channels, e.g., website, WeChat groups, LINE application, etc., 3. global distribution via secured delivery channels with long-term relationships for both companies. Individually, they established 1. local and foreign countries exhibitions on related product categories, 2. started internet merchandising channels such as Shoppe, Lazada, Alibaba, Taobao, etc., and 3. direct home delivery for both local and foreign markets.

Customer segment – the most significant enhancement in this segment was 1. the customer portfolio from the parent company, which is located around this region, and 2. both companies are expanding their local and foreign customer segments. Moreover, they also emphasized on 3. customers looking for low-cost belts for industrial use, 4. customers looking for high quality and safety belts for industrial use, 5. expanding the foreign and local markets, 6. focusing more on the neighboring



countries, especially Vietnam, Laos, and Malaysia manufactures and buyers who are not end-users, 7. as an OEM service provider, 8. increase customer base with local and foreign trade exhibitions such as the Canton Fair, China International Import Expo which are held annually and 9. manage new market segmentation by separating clearly between local and foreign base customers.

Cost Structure – 1. Accounted for primary costs related to manufacturing costs such as labor, raw materials, utilities, waste removal, logistics, etc., 2. secondary costs arise from administration and marketing costs. 3. Implemented on economies of scale utilization, which was acquired through sourcing from key partners that allows them to save raw material costs, large scale production, and mass-market customer segment, 4. primary costs were monitor closely during this period (3 months), and efficient gaps were narrowed to ensure maximum use of related funds, 5. new structured costs were reserved for R&D to maintain high quality and design innovation of their products, administration and 6. marketing cost were decreased due to re-structuring of the marketing team.

Revenue Structure – 1. Accounted for primary revenue stream comes from the sales of finished products, 2. secondary revenue streams come from OEM production, 3. expected revenue from the increased customer base and new market segmentation. 4. Customers' payments by credit terms for Company 1 were recorded between 90-150 days, and for Company 2 was recorded between 60-90 days, 5. a record of the changing of the above-mentioned credit terms for Company 1 to 90 days was recorded individually.

4.4.2 Comparison Results – Company Financial Statements

As we have mentioned in earlier sections, this Chapter included the content of both Business Model Canvas comparison results and the two participant companies' financial analysis before and after this implementation stage. Both the Business Model Canvas comparison results were presented in the previous sections. We would like to continue comparing the two participant companies' financial analyses both before and after this implementation stage in this section.

For a brief introduction of the proceedings, both companies had agreed to provide their internal financial statements as supplementary documents for this research study at the beginning. These internal financial statements recorded both companies' monthly financial status during the implementation phase, which lasted for three months from July 2020 till September 2020. As a result, the internal financial statements showed records from the end of June 2020 to the end of September 2020. From these financial statements, we compared the financial status before and after the implementation phase of this research. From these analyses of the financial statements, we would be able to determine both companies' business performance during the particular period.

4.4.2.1 Financial Statements Comparison Results – Company 1

In this section, we presented the comparison of internal financial statements of Company 1 between two periods of the fiscal year. The first period was at the beginning of July 2020 and the second at the end of September 2020, which was precisely the third quarter of the fiscal year that lasted for three months. From here, we performed a thorough analysis of the financial statements comparing the two periods mentioned above. The details of the internal financial statements, balance sheet, and income statement were shown below (See Table 50 and 51).

Table 50 Internal Financial Statement – Balance Sheet Company 1

THAI WP CO., LTD.

Monthly Comparison > Company > Balance Sheet

Monthly Financial Statement

Item	30-Jun-20	31-Jul-20	31-Aug-20	30-Sep-20
Assets				
Cash and deposits at financial institutions	32,402.81	35,643.10	33,860.94	135,443.76
Accounts receivable	2,876,247.39	2,905,009.86	2,919,534.91	3,211,488.40
Accounts and notes receivable - net	2,876,247.39	2,905,009.86	2,919,534.91	3,211,488.40
Inventories - net	3,495,001.07	3,669,751.13	3,614,704.86	3,542,410.76
Other current assets	280,208.55	280,208.55	280,208.55	280,208.55
Total current assets	6,683,859.83	6,890,612.64	6,848,309.26	7,169,551.48
Property, plant and equipment	5,557,480.32	5,557,480.32	5,557,480.32	5,557,480.32
Other non-current assets	2,365,340.00	2,365,340.00	2,365,340.00	2,365,340.00
Total non-current assets	7,922,820.32	7,922,820.32	7,922,820.32	7,922,820.32
Total assets	14,606,680.15	14,813,432.96	14,771,129.58	15,092,371.80
Liabilities and shareholders' equity				
Liabilities				
Accounts payable*	3,842,770.75	3,892,903.75	3,778,938.16	3,972,187.47
Total accounts payable and notes payable	3,842,770.75	3,892,903.75	3,778,938.16	3,972,187.47
Other current liabilities	52,838.16	52,838.16	52,838.16	52,838.16
Total current liabilities	3,895,608.91	3,945,741.91	3,831,776.32	4,025,025.63
Total Liabilities	3,895,608.91	3,945,741.91	3,831,776.32	4,025,025.63
Shareholder's equity				
Authorized common stocks	11,000,000.00	11,000,000.00	11,000,000.00	11,000,000.00
Issued and paid-up commonstocks	11,000,000.00	11,000,000.00	11,000,000.00	11,000,000.00
Retained earnings (deficit)	-288,928.76	-132,308.96	-60,646.73	67,346.17
Total shareholders' equity	10,711,071.24	10,867,691.04	10,939,353.27	11,067,346.17
Total liabilities and shareholders' equity	14,606,680.15	14,813,432.96	14,771,129.58	15,092,371.80

Information as of 31 October 2020

Source of information - The Stock Exchange of Thailand; and other information sources.

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Table 51 Internal Financial Statement – Income Statement Company 1

THAI WP CO., LTD.

Monthly Comparison > Company > Balance Sheet

Monthly Financial Statement

Units in THB

Item	30-Jun-20	% of Total Revenue	31-Jul-20	% of Total Revenue	31-Aug-20	% of Total Revenue	30-Sep-20	% of Total Revenue
Net Sales	2,928,338.25	99.99%	3,221,172.07	99.99%	3,382,230.68	99.99%	3,520,453.74	99.99%
Total other income	191.11	0.01%	191.11	0.01%	191.11	0.01%	191.11	0.01%
Total revenue	2,928,529.35	100.00%	3,221,363.18	100.00%	3,382,421.78	100.00%	3,520,644.85	100.00%
Cost of sales /services	2,533,592.27	86.51%	2,584,264.11	80.22%	2,687,634.68	79.46%	2,841,073.77	76.36%
Gross profit (loss)	394,937.09	13.49%	637,099.07	19.78%	694,787.11	20.54%	679,571.08	23.64%
Total operating expenses	517,219.60	17.66%	465,497.64	14.45%	605,146.93	17.89%	532,701.33	14.32%
Operating income (loss)	-122,282.51	-4.18%	171,601.43	5.33%	89,640.18	2.65%	146,869.75	9.32%
Other expenses	16,646.25	0.57%	14,981.63	0.47%	17,977.95	0.53%	18,876.85	0.51%
Income (loss) before depreciation and amortization	-138,928.76	-4.74%	156,619.80	4.86%	71,662.23	2.12%	127,992.90	8.82%
Income (loss) before interest and income taxes								
Net income (loss)	-138,928.76	-4.74%	156,619.80	4.86%	71,662.23	2.12%	127,992.90	3.64%
Earnings (loss) per share -								
Number of weighted average ordinary shares -								

Information as of 31 October 2020

Source of information - The Stock Exchange of Thailand; and other information sources.

The data and information available is purely for the reference of business analysis and cannot be used as reference for legal proceedings.

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We started by analyzing the balance sheet of Company 1 shown in Table 50 in this section. From the balance sheet mentioned above, total assets as of the beginning of July 2020 of Company 1 were recorded at THB 14.61 million. Total assets comprised of current assets of THB 6.68 million and non-current assets of THB 7.92 million. Current assets comprised of cash and deposits at financial institutions of THB 32,402.81, accounts and notes receivable - net of THB 2.88 million, inventories – net of THB 3.50 million, and other current assets of THB 280,208.55. Non-current assets comprised property, plant, and equipment of THB 5.56 million and other non-current assets of THB 2.37 million. Due to the reason that only internal monthly statements were provided, the depreciation and amortization of the non-current assets were not calculated, and therefore, the value of non-current assets remained unchanged. Total liabilities totaled THB 3.90 million and comprised only current liabilities. The reason is that the company is newly established in Thailand and was not involved in long-term liabilities with any financial institutions. Current liabilities comprised of total accounts payable and notes payable of THB 3.84 million and other current liabilities of THB 52,838.16. Shareholder's equity totaled THB 10.71 million and comprised of issued and paid-up common stocks of THB 11.00 million and retained earnings (deficit) of THB -288,928.76.

From the above records of the balance sheet as of the beginning of July 2020, we continued to perform a vertical analysis. Cash and deposits at financial institutions were only 0.48%, and other current assets were 4.19% of total current assets. Accounts and notes receivable – net made up of 43.03%, while inventories – net made up of 52.29%, which were the main compositions of the current assets. These records showed that the company did not have much cash on hand. Most of their current assets were accounts and notes receivable – net and inventories – net which again showed that its liquidity was low. High levels of excess inventory stock are also signs of low inventory turnover, which means the company is not turning all their stock regularly and can probably lead to inferior quality goods and degradation. The total current assets made up 45.76%, while the non-current assets made up 54.24% of the total assets. The non-current assets comprised 70.15% of the property, plant, and equipment and 29.85% of other non-current assets. The high percentage of



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property, plant, and equipment was the FDI investments made during the company's startup, which included the purchase of the factory, plants and equipment for daily operations. Total current liabilities are made up of 100% of total liabilities. Total current liabilities comprised 98.64% of total accounts payable and notes payable and 1.36% of other current liabilities. Shareholder's equity was made up of issued and paid-up common stocks of THB 11.00 million and retained earnings recorded at an accumulated loss of THB -288,928.76. The loss recorded was explained as a result of the recent COVID-19 pandemic situation, which had affected normal business operations globally.

On the other hand, total assets as of the end of September 2020 of Company 1 were recorded at THB 15.09 million. Total assets comprised of current assets of THB 7.17 million and non-current assets of THB 7.92 million. Current assets comprised of cash and deposits at financial institutions of THB 135,443.76, accounts and notes receivable - net of THB 3.21 million, inventories – net of THB 3.54 million, and other current assets of THB 280,208.55. Non-current assets comprised of property, plant and equipment of THB 5.56 million and other non-current assets of THB 2.37 million. Total liabilities totaled THB 4.03 million and comprised only current liabilities. Current liabilities comprised of total accounts payable and notes payable of THB 3.97 million and other current liabilities of THB 52,838.16. Shareholder's equity totaled THB 11.00 million and comprised of issued and paid-up common stocks of THB 11.00 million and retained earnings (deficit) of THB 67,346.17.

From the above records of the balance sheet as of the end of September 2020, we performed a vertical analysis. Cash and deposits at financial institutions were 1.89% of total current assets. Accounts and notes receivable – net made up of 44.79%, while inventories – net made up of 49.41%, were the main components of the current assets. The small percentage of cash on hand and a high percentage of accounts and notes receivable – net and inventory still showed low liquidity. Total current assets made up 47.50%, while non-current assets made up 52.50% of the total assets. Non-current assets comprised 70.15% of the property, plant, and equipment and 29.85% of other non-current assets. Total current liabilities are made up of 100%



of total liabilities. Total current liabilities comprised 98.69% of total accounts payable and notes payable and 1.31% of other current liabilities. Shareholder's equity was made up of issued and paid-up common stocks of THB 11.00 million and retained earnings recorded at THB 67,346.17.

After the vertical analysis of the balance sheets of Company 1 as of the beginning of July 2020 and the end of September 2020 in the previous section, we continued to perform a horizontal analysis comparison. Total assets recorded THB 14.61 million as of the beginning of July 2020 and at THB 15.09 million as of the end of September 2020. These records showed a slight increase of 3.33% in total assets over the past three months. This increase comprised an increase in cash and deposits at financial institutions, accounts, and notes receivable – net and inventories. Non-current assets remained unchanged as there was no increase in fixed assets during this period. Depreciation and amortization were not calculated because internal financial statements were provided over a short period only, as mentioned in the previous section. Total liabilities recorded THB 3.90 million as of the beginning of July 2020 and at THB 4.03 million as of the end of September 2020. These records showed a slight increase of 3.32% in total liabilities over the past three months. This increase was due to an increase in total accounts payable and notes payable. Other current liabilities also remained unchanged because of the same reason as depreciation and amortization records. Shareholder's equity comprised THB 11.00 million of issued and paid-up common stocks, which remained unchanged during this period. Retained earnings (deficit) which recorded a negative accumulated loss at the beginning of July 2020 at THB -288,928.76, turned favorable to THB 67,346.17 in September 2020. These records were healthy signs after many months of negative deficits due to the present COVID-19 pandemic situation.

From this point, we continued to present the comparison of the income statements of Company 1 (See Table 51) as of July 2020 and September 2020. The income statements of the period mentioned above of the fiscal year were shown in Table 48. Total revenue recorded as of the beginning of July 2020 was THB 2.93 million, which comprised net sales of THB 2.92 million and THB 191.11. Cost of sales /services recorded THB 2.53 million, gross profits (loss) were recorded at THB

394,937.09, total operating expenses were recorded at THB 517,219.60, and operating income (loss) recorded at THB -122,282.51. Other expenses were recorded at THB 16,646.25, and finally, net income (loss) was recorded at THB -138,928.76.

From the above records of the income statements as of the beginning of July 2020, we performed a vertical analysis. The total revenue comprised 99.99% of net sales and 0.01% of total other revenue. These records were healthy signs as the company has concentrated more controlled sources of income. The cost of sales /services was also well controlled at 86.51%, which resulted in a gross profit of 13.49%. Total operating expenses and other expenses were recorded at 17.66% and 0.57% of total revenue. The cost of sales /services, total operating expenses, and other expenses percentages were cross-checked with industry benchmarks and were found comparable to the expected standards. Although the company experiences a net profit loss of THB -138,928.76, the company explained that this would be a short-term depression due to the present COVID-19 pandemic situation, which has affected almost all industries globally. They expected a fruitful turnover after the situation return to normal.

On the other hand, total revenue recorded as of the end of September 2020 was THB 3.72 million, which comprised of net sales of THB 3.72 million and total other income of THB 191.11. The cost of sales /services recorded THB 2.84 million, which resulted in a gross profit (loss) recorded at THB 879,571.08. Total operating expenses were recorded at THB 532,701.33, which resulted in the operating income (loss) recorded at THB 346,869.75. Other expenses were recorded at THB 18,876.85, which resulted in a net income (loss) at THB 327,992.90.

From the above records of the income statements as of the end of September 2020, we made a vertical analysis. The total revenue comprised 99.99% of net sales and 0.01% of total other revenue. The cost of sales /services was recorded at 76.36%, which resulted in a gross profit of 23.64%. Total operating expenses and other expenses were recorded at 14.32% and 0.51% of total revenue. The cost of sales /services, total operating expenses, and other expenses percentages were again cross-checked with industry benchmarks and were found comparable to the expected

standards. Net income (loss) recorded THB 327,992.90, which showed a turnaround net profit for the company after months of losses.

After the vertical analysis of the income statements as of the beginning of July 2020 and the end of September 2020, we continued to perform a horizontal analysis comparison. Total revenue recorded THB 2.93 million as of the beginning of July 2020 and THB 3.72 million as of the end of September 2020. These records showed a moderate increase of 27.05% in total revenue over the past three months. This increase comprised of an increase in net sales while the total other income remained unchanged. The cost of sales /services was well controlled at 86.51% at the beginning of July 2020 with a declining trend, resulted in 76.36% in September 2020. The gross profit (loss) had an inclining trend from 13.49% at the beginning of July 2020 to 23.64% at the end of September 2020. Total operating expenses and other expenses were also very well controlled and experienced a declining trend for the past three months. Total operating expenses and other operating expenses were recorded at 17.66% and 0.57%, respectively, as of the beginning of July 2020. These records were recorded at 14.32% and 0.51% as of the end of September 2020. Finally, the business operations experienced a positive net income at the end of September 2020 after suffering from moderate profit losses for the past nine months. Net income (loss) recorded -4.74% of total revenue at the beginning of July 2020 and 8.82% as of the end of September 2020.

Finally, after the vertical and horizontal financial analysis presented in this section, we would like to continue presenting the essential financial ratios. There are altogether four latent variables that are essential financial indicators that were used to measure business performance in this research study, namely, 1. liquidity indicator, 2. efficiency indicator, 3. profitability indicator, and 4. growth rate indicator which comprised of 9 observable variables namely, 1. current ratio, 2. quick ratio, 3. accounts receivable turnover, 4. inventory turnover, 5. operating profit margin, 6. return on assets, 7. return on equity, 8. revenue growth and 9. net profit growth. From the financial statements of Company 1, we have computed the above-mentioned financial ratios for both periods before and after the implementation phase as follows: 1. Current ratio of Company 1 as of the beginning of June, 2020, recorded 1.716 and as

of the end of September, 2020, recorded 1.781, 2. Quick ratio of Company 1 as of the beginning of June, 2020, recorded 0.819 and as of the end of September, 2020, recorded 0.901, 3. Accounts receivable turnover of Company 1 as of the beginning of June, 2020, recorded 0.200 and as of the end of September, 2020, recorded 0.233, 4. Inventory turnover of Company 1 as of the beginning of June, 2020, recorded 21.748 and as of the end of September, 2020, recorded 24.061, 5. Operating profit margin of Company 1 as of the beginning of June, 2020, recorded 0.135 and as of the end of September, 2020, recorded 0.193, 6. Return on Assets of Company 1 as of the beginning of June, 2020, recorded -0.010 and as of the end of September, 2020, recorded 0.008, 7. Return on equity of Company 1 as of the beginning of June, 2020, recorded -0.013 and as of the end of September, 2020, recorded 0.008, 8. Revenue growth of Company 1 as of the beginning of June, 2020, recorded 9.999% and as of the end of September, 2020, recorded 4.087% and 9. Net profit growth of Company 1 as of the beginning of June, 2020, recorded 212.734% and as of the end of September, 2020, recorded 78.606%. Figure 22 below showed the comparison of those, as mentioned earlier, important financial ratios in the form of a bar graph.

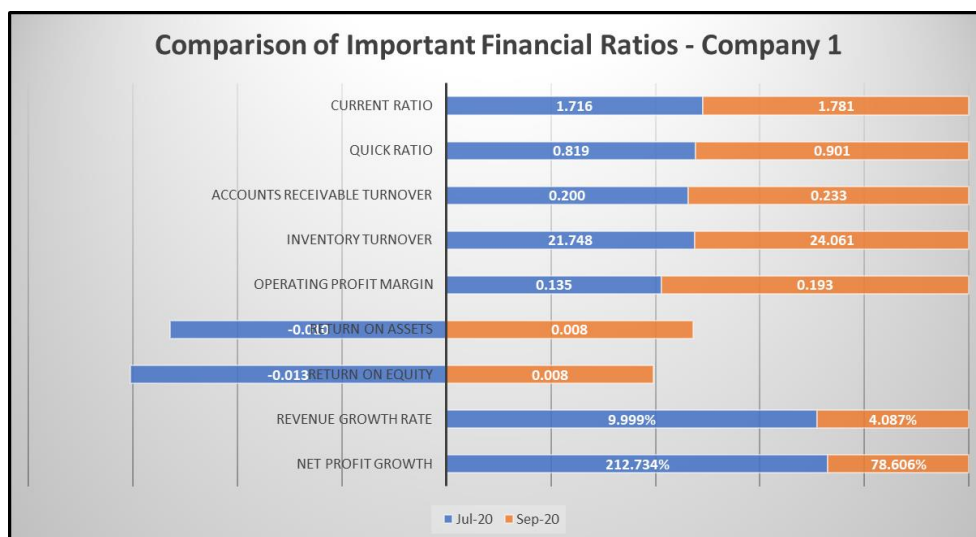


Figure 22 Comparison of the important financial status of Company 1 before and after the implementation phase

From the findings of the analysis of the above financial ratios of Company 1, we found an increase in the current ratio from 1.716 in June 2020 to

1.781 in September 2020. There is also an increase in the quick ratio from 0.819 in June 2020 to 0.901 in September 2020. These findings confirmed that the company's liquidity has improved during this period. In other words, the company had a higher liquidity status after the implementation phase. Accounts receivable turnover increased from 0.200 in June 2020 to 0.233 in September 2020, while the inventory turnover ratio also recorded an increase at 21.748 in June 2020 and 24.061 in September 2020. These findings confirmed that the company's efficiency has improved during this period. To be specific, the company had an increased efficiency after the implementation phase. The operating profit margin recorded 0.135 in June 2020 and 0.193 in September 2020. Return on assets recorded -0.010 in June 2020 and 0.008 in September 2020. Return on equity was recorded -0.013 in June 2020 and 0.008 in September 2020. All three profitability ratios mentioned above had shown an increase during this period. In a simpler form, we can conclude that the company yielded higher profits after the implementation phase. Revenue growth recorded 9.999% in June 2020 and 4.087% in September 2020. Net profit growth recorded 212.734% in June 2020 and 78.606% in September 2020. Lastly, the result findings showed a higher increase in the company's growth rate in June 2020 than September 2020. These records can be explained as a unique situation of the Covid-19 pandemic situation in Thailand during the first half of 2020. During April and May 2020, a recovery period helped the company recover normal business operations, which in turn boosted up their sales revenue. However, the situation did not fully recover because most of the world was severely affected by the situation, especially in the United States of America and European countries. Hence, although the company is still making a profit, the growth rate ratios showed a declining trend.

In summary of this section, we had illustrated the comparison results of the financial status of Company 1 at two points of time, first before the implementation phase and the latter after the implementation phase. The interval period lasted for three months, which is precisely one-quarter of a fiscal financial year period. Internal financial statements that consisted of balance sheets and income statements before and after the implementation were analyzed. This section's significant findings were 1. Total assets were recorded at THB 14.61 million as of the



beginning of July 2020 and at THB 15.09 million as of the end of September 2020. These records showed a slight increase of 3.33% in total assets over the past three months. This increase comprised an increase in cash and deposits at financial institutions, accounts, and net notes receivable and net inventories. 2. Total liabilities recorded THB 3.90 million as of the beginning of July 2020 and at THB 4.03 million as of the end of September 2020. These records showed a slight increase of 3.32% in total liabilities over the past three months. This increase was due to an increase in total accounts payable and notes payable. 3. Shareholders' equity comprised THB 11.00 million of issued and paid-up common stocks, which remained unchanged. Retained earnings (deficit) which recorded a negative accumulated loss at the beginning of July 2020 at THB -288,928.76, turned favorable to THB 67,346.17 in September 2020. 4. Total revenue recorded THB 2.93 million as of the beginning of July 2020 and at THB 3.72 million as of the end of September 2020. These records showed a moderate increase of 27.05% in total revenue over the past three months. This increase comprised of an increase in net sales while the total other income remained unchanged. 5. The cost of sales /services was well controlled at 86.51% at the beginning of July 2020 with a declining trend, resulted in 76.36% in September 2020. The gross profit (loss) had an inclining trend from 13.49% at the beginning of July 2020 to 23.64% at the end of September 2020. 6. The business operations experienced a positive net income at the end of September 2020 after suffering from moderate profit losses for the past nine months. Net income (loss) recorded -4.74% of total revenue from the beginning of July 2020 and 8.82% as of the end of September 2020. 7. The current ratio increased 3.818%, and the quick ratio increased 10.087%, which decisively confirmed that the liquidity status of Company 1 improved after the implementation phase. 8. Accounts receivable turnover increased 16.351%, and inventory turnover increased 10.635%, which conclusively confirmed an increased efficiency after the implementation phase. 9. Operating profit margin increased 43.130%, return on assets increased 189.164%, and return on equity increased 165.384%, which convincingly confirmed an increase in profitability status after the implementation phase. (10) Finally, we have a negative record of revenue growth rate at - 59.132% and net profit growth rate at - 63.050%. These negative records were due to there was a recovery period during April and May 2020 that helped the



company recover normal business operations, which in turn boosted up their sales revenue. However, the situation did not fully recover because most of the world was severely affected by the situation, especially in the United States of America and European countries. Hence, although the company is still making a profit, the growth rate ratios showed a declining trend.

4.4.2.2 Financial Statements Comparison Results – Company 2

In this section, we continued to present the comparison of internal financial statements of Company 2 between two periods of the fiscal year. The first period was at the beginning of July 2020 and the second at the end of September 2020, which was precisely the third quarter of the fiscal year that lasted for three months. The details of the internal financial statements, balance sheet, and income statement were shown below (See Table 52 and 53). From here, we did a thorough analysis of the financial statements comparing the two periods mentioned above.

Table 52 Internal Financial Statement – Balance Sheet (June – September)
Company 2

FES INTERNATIONAL (THAILAND) COMPANY LIMITED		Monthly Financial Statement			
Monthly Comparison > Company > Balance Sheet					
Item	30-Jun-20	31-Jul-20	31-Aug-20	30-Sep-20	
<u>Assets</u>					
Cash and deposits at financial institutions	844,331.56	861,218.20	1,033,461.83	981,788.74	
Accounts receivable	5,919,659.86	5,327,693.88	6,393,232.65	7,032,555.92	
Accounts and notes receivable - net	5,919,659.86	5,327,693.88	6,393,232.65	7,032,555.92	
Inventories - net*	10,953,949.41	11,501,646.88	11,156,597.47	11,006,327.68	
Total current assets	17,717,940.84	17,690,558.95	18,583,291.96	19,020,672.34	
Property, plant and equipment	8,891,760.81	8,891,760.81	8,891,760.81	8,891,760.81	
Other non-current assets	1,121,920.00	1,121,920.00	1,121,920.00	1,121,920.00	
Total non-current assets	10,013,680.81	10,013,680.81	10,013,680.81	10,013,680.81	
Total assets	27,731,621.65	27,704,239.76	28,596,972.77	29,034,353.15	
<u>Liabilities and shareholders' equity</u>					
<u>Liabilities</u>					
Accounts payable	8,605,354.96	8,618,273.40	9,482,774.01	9,892,999.45	
Total accounts payable and notes payable*	8,605,354.96	8,618,273.40	9,482,774.01	9,892,999.45	
Other current liabilities	64,297.69	64,297.69	64,297.69	64,297.69	
Total current liabilities	8,669,652.65	8,682,571.09	9,547,071.70	9,957,297.14	
Total Liabilities	8,669,652.65	8,682,571.09	9,547,071.70	9,957,297.14	
<u>Shareholder's equity</u>					
Authorized common stocks	40,050,000.00	40,050,000.00	40,050,000.00	40,050,000.00	
Issued and paid-up commonstocks	19,252,500.00	19,252,500.00	19,252,500.00	19,252,500.00	
Retained earnings (deficit)	-190,531.00	-230,831.33	-202,598.93	-175,443.99	
Total shareholders' equity	19,061,969.00	19,021,668.68	19,049,901.07	19,077,056.01	
Total liabilities and shareholders' equity	27,731,621.65	27,704,239.76	28,596,972.77	29,034,353.15	

Information as of 31 October 2020

Source of information - The Stock Exchange of Thailand; and other information sources.

The data and information available is purely for the reference of business analysis and cannot be used as reference for legal proceedings.

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Table 53 Internal Financial Statement – Income Statement (June – September)
Company 2

FES INTERNATIONAL (THAILAND) COMPANY LIMITED
Monthly Comparison > Company > Balance Sheet

Monthly Financial statement

Item	30-Jun-20	% of Total Revenue	31-Jul-20	% of Total Revenue	31-Aug-20	% of Total Revenue	30-Sep-20	% of Total Revenue
Net Sales	6,379,573.57	98.73%	6,347,675.70	98.72%	6,474,629.22	98.75%	6,604,121.80	98.77%
Total other income	82,105.76	1.27%	82,105.76	1.28%	82,105.76	1.25%	82,105.76	1.23%
Total revenue	6,461,679.34	100.00%	6,429,781.47	100.00%	6,556,734.98	100.00%	6,686,227.57	100.00%
Cost of sales /services	5,831,038.37	90.24%	5,889,348.75	91.59%	5,830,455.27	88.92%	5,947,064.37	88.94%
Gross profit (loss)	630,640.97	9.76%	540,432.71	8.41%	726,279.72	11.08%	739,163.19	11.06%
Total operating expenses	670,941.29	10.38%	684,360.11	10.64%	698,047.32	10.65%	712,008.26	10.65%
Operating income (loss)	-40,300.32	-0.62%	-143,927.40	-2.24%	28,232.40	0.43%	27,154.93	0.41%
Income (loss) before depreciation and amortization	-40,300.32	-0.62%	-143,927.40	-2.24%	28,232.40	0.43%	27,154.93	0.41%
Income (loss) before interest and income taxes								
Net income (loss)	-40,300.32	-0.62%	-143,927.40	-2.24%	28,232.40	0.43%	27,154.93	0.41%
Earnings (loss) per share -								
Number of weighted average ordinary shares -								

Information as of 31 October 2020

Source of information - The Stock Exchange of Thailand; and other information sources.

The data and information available is purely for the reference of business analysis and cannot be used as reference for legal proceedings.

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We started by analyzing the balance sheet of Company 2 shown in Table 52 in this section. From the above-mentioned balance sheet, total assets as of the beginning of July 2020 of Company 2 were recorded at THB 27.73 million. Total assets comprised of current assets of THB 17.72 million and non-current assets of THB 10.01 million. Current assets comprised of cash and deposits at financial institutions of THB 844,331.56, accounts and notes receivable - net of THB 5.92 million, and inventories – net of THB 10.95 million. Non-current assets comprised of property, plant and equipment of THB 8.89 million and other non-current assets of THB 1.12 million. Due to the reason that only internal monthly statements were provided, the depreciation and amortization of the non-current assets were not calculated. Therefore, the value of non-current assets remained unchanged, similar to that of Company 1 in the previous section. Total liabilities totaled THB 8.67 million and comprised only current liabilities. The reason is that the company is also newly established in Thailand and has not incurred long-term liabilities with any financial institutions, which resembles Company 1. Current liabilities comprised of total accounts payable and notes payable of THB 8.61 million, and the other current

liabilities were recorded at THB 64,297.69. Shareholder's equity totaled THB 19.21 million and comprised of issued and paid-up common stocks of THB 19.25 million and retained earnings (deficit) of THB -40,300.32. This company has a total of authorized common stocks of THB 40.05 million, THB 19.25 million was paid up, and the remaining are still available to their shareholders to pay up.

From the above records of the balance sheet as of the beginning of July 2020, we performed a vertical analysis. Cash and deposits at financial institutions were only 4.77% of total current assets. Accounts and notes receivable – net made up of 33.41% while inventories – net made up of 61.82%, were the main components of the current assets. These records showed that the company did not have much cash on hand. Most of their current assets were accounts and notes receivable – net and inventories – net, which is similar to that of Company 1, showed that its liquidity was low. High levels of excess inventory stock are also a sign of low inventory turnover, which means the company is not turning all their stock regularly and can probably lead to inferior quality goods and degradation were also mentioned in the previous section. The total current assets made up 63.89%, while non-current assets made up 36.11% of the total assets. Non-current assets comprised 88.80% of the property, plant, and equipment and 11.20% of other non-current assets. Current liabilities made up of 100% of total liabilities, as mentioned in the previous section. Current liabilities comprised 99.26% of total accounts payable and notes payable and 0.74% of other current liabilities. Shareholder's equity was made up of issued and paid-up common stocks of THB 19.25 million and retained earnings recorded at an accumulated loss of THB -190,531.00. The loss recorded was also explained as a result of the recent COVID-19 pandemic situation, which had affected normal business operations globally, similar to that of Company 1. The company also mentioned that the current COVID-19 pandemic situation does not affect them much due to their products' nature. However, their other third-party suppliers were generally affected, leading to the slowdown of the whole supply chain process.

On the other hand, total assets as of the end of September 2020 of Company 2 were recorded at THB 29.03 million. Total assets comprised of current assets of THB 19.02 million and non-current assets of THB 10.01 million. Current

assets comprised of cash and deposits at financial institutions of THB 981,788.74, accounts and notes receivable - net of THB 7.03 million, and inventories – net of THB 11,01 million. Non-current assets comprised of property, plant, and equipment of THB 8,89 million and other non-current assets of THB 1.12 million. Total liabilities totaled THB 9.96 million and comprised only current liabilities. Current liabilities comprised total accounts payable and notes payable of THB 9.89 million and other current liabilities of THB 64,297.69. Shareholder's equity totaled THB 19.07 million and comprised of issued and paid-up common stocks of THB 19.25 million, retained earnings (deficit) recorded at an accumulated loss of THB - 175,443.99.

From the above records of the balance sheet as of the end of September 2020, we performed a vertical analysis. Cash and deposits at financial institutions were 5.16% of total current assets. Accounts and notes receivable – net made up of 36.97%, while inventories – net made up of 57.87%, were the main components of the current assets. The total current assets were 65.51%, while the non-current assets made up 34.49% of the total assets. Non-current assets comprised 88.80% of property, plant, and equipment and 11.20% of other non-current assets. Current liabilities are made up of 100% of total liabilities and comprised 99.35% of total accounts payable and notes payable and 0.65% of other current liabilities. Shareholder's equity was made up of issued and paid-up common stocks of THB 19.07 million and retained earnings recorded at an accumulated loss of THB -175,443.99.

After the vertical analysis of the balance sheets Company 2 as of the beginning of July 2020 and the end of September 2020 in the previous section, we continued to present the horizontal analysis comparison. Total assets recorded THB 27.73 million as of the beginning of July 2020 and at THB 29.03 million as of the end of September 2020. These records showed a slight increase of 4.70% in total assets over the past three months. This increase comprised an increase in cash on hand, accounts, net notes receivable, and net inventories. Non-current assets remained unchanged as there was no increase in fixed assets during this period. Depreciation and amortization were not calculated as mentioned in the previous section due to internal financial statements were provided over a short period only, which is similar



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to that of Company 1. Total liabilities recorded THB 8.67 million as of the beginning of July 2020 and at THB 9.96 million as of the end of September 2020. These records showed a slight increase of 14.85% in total liabilities over the past three months. This increase was due to an increase in total accounts payable and notes payable. Other current liabilities also remained unchanged due to the same reason as depreciation and amortization. Non-current liabilities were not recorded, as mentioned in the previous section. Shareholder's equity comprised THB 19.25 million of issued and paid-up common stocks, which remained unchanged throughout the past three months. Retained earnings (deficit) which recorded an accumulated loss at the beginning of July 2020 at THB -190,531.00, was minimized to THB -175,443.99 at the end of September 2020.

From this point, we continued to compare the income statements of Company 2 at the beginning of July 2020 and September 2020 (See Table 53). The income statements of the period mentioned above of the fiscal year were shown in Table 50. Total revenue recorded as of the beginning of July 2020 was THB 6.46 million, which comprised net sales of THB 6.38 million and a total other income of THB 82,105.76. Cost of sales /services recorded THB 5.83 million, gross profits (loss) were recorded at THB 630,640.97, total operating expenses were recorded at THB 670,941.29, and operating income (loss) recorded at THB -40,300.32, which was the final net income (loss).

From the above records of the income statements as of the beginning of July 2020, we performed a vertical analysis. The total revenue comprised 98.73% of net sales and 1.27% of total other revenue. The cost of sales /services recorded 90.24%, which resulted in a gross profit of 9.76%. Total operating expenses were recorded at 13.38%. The cost of sales /services and total operating expenses were cross-checked with industry benchmarks and were found comparable to the expected standards, which were similar to that of Company 1. Although the company experiences a net profit loss of THB -40,300.32, the company explained that this would be a short-term depression due to the present COVID-19 pandemic situation, which has affected almost all industries globally. They expected a rapid turnover after the situation return to normal.



On the other hand, total revenue recorded as of the end of September 2020 was THB 6.69 million, which comprised net sales at THB 6.60 million and total other income of THB 82,105.76. The cost of sales /services recorded THB 5.95 million, which resulted in a gross profit (loss) recorded at THB 739,163.19. Total operating expenses were recorded at THB 712,008.26, resulting in operating income (loss) recorded at THB 27,154.93, the final net income (loss).

From the above records of the income statements as of the end of September 2020, we made a vertical analysis. The total revenue comprised 98.77% of net sales and 1.23% of total other revenue. The cost of sales /services was recorded at 88.94%, which resulted in a gross profit of 11.06%. Total operating expenses 10.65% of total revenue. Net income (loss) recorded THB 27,154.93, which showed a turnaround net profit for the company after months of losses.

After the vertical analysis of the income statements as of the beginning of July 2020 and the end of September 2020, we continued to present the horizontal analysis comparison. Total revenue recorded THB 6.46 million as of the beginning of July 2020 and at THB 6.69 million as of the end of September 2020. These records showed a slight increase of 3.48% in total revenue over the past three months. This increase comprised of an increase in net sales while the total other income remained unchanged. The cost of sales /services recorded 90.24%, with a declining trend during the past three months, resulting in 88.94% at the end of September 2020. The gross profit (loss) had an inclining trend from 9.76% at the beginning of July 2020 to 11.06% at the end of September 2020. However, total operating expenses experienced an inclining trend, recorded at 10.38% at the beginning of July 2020 and 10.65% at the end of September 2020. Finally, the business operations recorded net income at THB -40,300.32 as of the beginning of July 2020 and THB 27,154.93 as of the end of September 2020. Although the figures were not prominent, it is a healthy sign after suffering from moderate profit losses for the past nine months. Net income (loss) recorded -0.62% of total revenue at the beginning of July 2020 and 0.41% as of the end of September 2020.

Finally, after the vertical and horizontal financial analysis presented in this section, we would like to continue presenting the important financial ratios. There are altogether four latent variables that are important financial indicators that were used to measure business performance in this research study, namely, 1. liquidity indicator, 2. efficiency indicator, 3. profitability indicator, and 4. growth rate indicator which comprised nine observable variables namely, 1. current ratio, 2. quick ratio, 3. accounts receivable turnover, 4. inventory turnover, 5. operating profit margin, 6. return on assets, 7. return on equity, 8. revenue growth and 9. net profit growth. From the financial statements of Company 2, we have computed the above-mentioned financial ratios for both periods before and after the implementation phase as follows: 1. Current ratio of Company 2 as of the beginning of June, 2020, recorded 2.044 and as of the end of September, 2020, recorded 1.910, 2. Quick ratio of Company 2 as of the beginning of June, 2020, recorded 0.714 and as of the end of September, 2020, recorded 0.805, 3. Accounts receivable turnover of Company 2 as of the beginning of June, 2020, recorded 0.230 and as of the end of September, 2020, recorded 0.227, 4. Inventory turnover of Company 2 as of the beginning of June, 2020, recorded 15.970 and as of the end of September, 2020, recorded 16.210, 5. Operating profit margin of Company 2 as of the beginning of June, 2020, recorded 0.099 and as of the end of September, 2020, recorded 0.112, 6. Return on Assets of Company 2 as of the beginning of June, 2020, recorded -0.145 and as of the end of September, 2020, recorded 0.094, 7. Return on equity of Company 2 as of the beginning of June, 2020, recorded -0.211 and as of the end of September, 2020, recorded 0.142, 8. Revenue growth of Company 2 as of the beginning of June, 2020, recorded -0.494% and as of the end of September, 2020, recorded 1.975% and 9. Net profit growth of Company 2 as of the beginning of June, 2020, recorded -257.134% and as of the end of September, 2020, recorded -3.816%. Figure 23 below showed the comparison of those, as mentioned earlier, important financial ratios in the form of a bar graph.



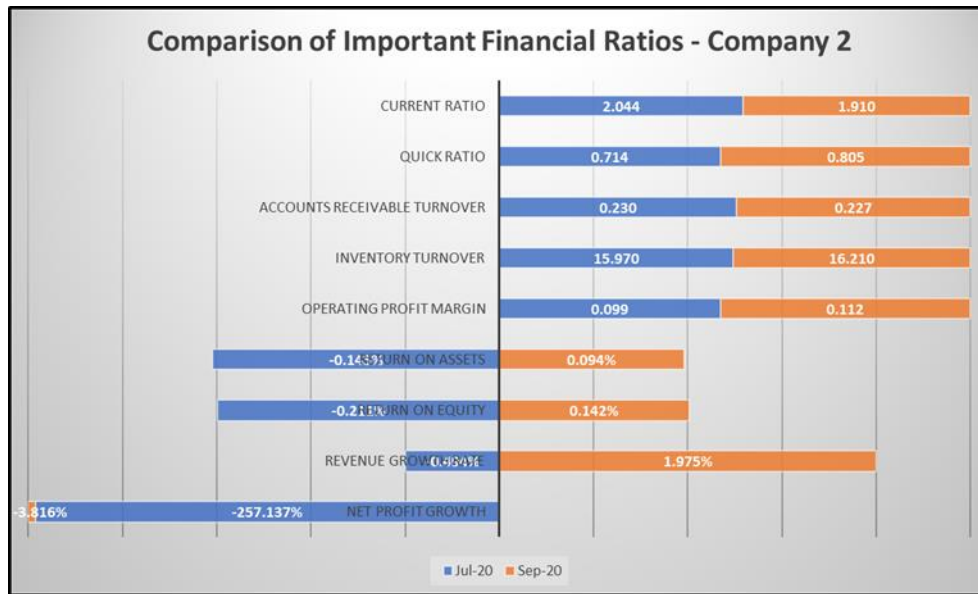


Figure 23 Comparison of the important financial status of Company 2 before and after the implementation phase

From the analysis of the above financial ratios of Company 2, we found a slight decrease in the current ratio from 2.044 in June 2020 to 1.910 in September 2020. This decrease is the main reason for the increase in the total account payable and inventory during the fiscal year. However, the quick ratio increased from 0.714 in June 2020 to 0.805 in September 2020. From these findings, we can claim that the company's liquidity had remained stable during this period. Accounts receivable turnover also experienced a slight decrease from 0.230 in June 2020 to 0.227 in September 2020, while the inventory turnover ratio recorded an increase at 15.970 in June 2020 and 16.210 in September 2020. These result findings again demonstrated that the company's efficiency had remained stable during this period. The operating profit margin recorded 0.099 in June 2020 and 0.112 in September 2020. Return on assets recorded -0.145 in June 2020 and 0.094 in September 2020. Return on equity was recorded at -0.211 in June 2020 and 0.142 in September 2020. All three profitability ratios mentioned above had shown an increase during this period. To be specific, we confirmed that the company yielded higher profits after the implementation phase. Revenue growth recorded -0.494% in June 2020 and 1.975% in September 2020. Net profit growth recorded -257.137% in June 2020 and -3.816%.

Lastly, the result findings showed that the company increased both revenue growth and net profit growth. Therefore, we confirmed that the growth rate indicator had improved during this period.

In summary of this section, we had illustrated the comparison results of the financial status of Company 2 at two points of time, first before the implementation phase and the latter after the implementation phase. The interval period lasted for three months, which is precisely one-quarter of a fiscal financial year period. Internal financial statements that consisted of balance sheets and income statements before and after the implementation were analyzed. This section's significant findings were 1. Total assets were recorded at THB 27.73 million as of the beginning of July 2020 and at THB 29.03 million as of the end of September 2020. These records showed a slight increase of 4.70% in total assets over the past three months. 2. Total liabilities recorded THB 8.67 million as of the beginning of July 2020 and at THB 9.96 million as of the end of September 2020. These records showed a slight increase of 14.85% in total liabilities over the past three months. 3. Shareholder's equity recorded THB 19.25 million, comprised of issued and paid-up common stocks, which remained unchanged during this period. Retained earnings (deficit) recorded a negative accumulated loss at the beginning of July 2020 at THB -190,531.00 and at the end of September 2020 at THB -175,443.99. 4. Total revenue recorded THB 6.46 million at the beginning of July 2020 and THB 6.69 million at the end of September 2020. These records showed a moderate increase of 3.48% in total revenue over the past three months. This increase comprised of an increase in net sales while the total other income remained unchanged. 5. The cost of sales /services was well controlled at 90.24%, with a declining trend during the past three months, resulting in 88.94% at the end of September 2020. The gross profit (loss) had an inclining trend from 9.76% as of the beginning of July 2020 to 11.06% at the end of September 2020. 6. The business operations experienced a positive net income at the end of September 2020 after suffering from moderate profit losses for the past nine months. Net income (loss) recorded -0.62% of total revenue at the beginning of July 2020 and 0.41% as of the end of September 2020. 7. The current ratio recorded -6.350%, while the quick ratio increased 12.749%, which indicated that the liquidity

status of Company 2 had remained stable for this period. 8. Accounts receivable turnover recorded -1.125%, while inventory turnover increased 1.504%, which again indicated that the efficiency indicators of Company 2 remained stable for this period. 9. Operating profit margin increased 13.223%, return on assets increased 164.358%, and return on equity increased 167.328%, which convincingly confirmed an increase in profitability status after the implementation phase. (10) Finally, the revenue growth rate recorded 500.075% and net profit growth rate at 98.516%, which again established a positive trend of the growth rate indicators of Company 2.

For an overall conclusion of this Chapter, we had presented 1. The results of both the quantitative and qualitative research methods executed in phase 1, 2. The results of the process of using the research findings in phase 1 to develop an integrated BMI process in phase 2, and 3. The result findings from the comparison of the financial status of both Chinese corporation participants using 1. The Business Model Canvas (BMC) and 2. Financial analysis of in-house financial statements of both companies. These findings had covered and fulfilled all research objectives, hypotheses and questions. The research outputs of the final phase of this research study were shown in Figure 24 below. By this, we would like to acknowledge the end of Chapter 4 at this point. Further discussions and conclusions were presented in Chapter 5.

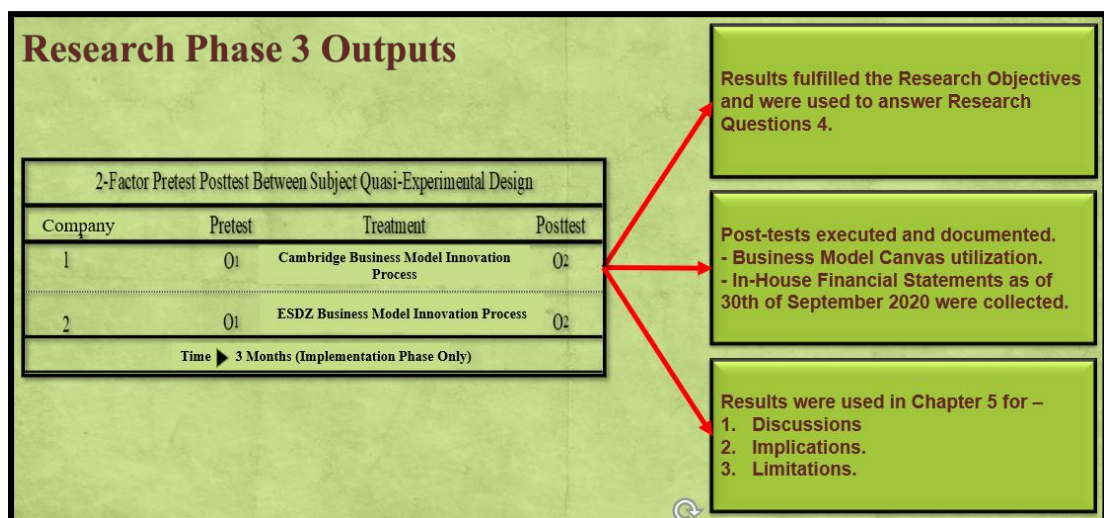


Figure 24 Research Phase 3 Outputs

CHAPTER 5

CONCLUSION

The previous chapter had familiarized readers with analytical results that we have gathered through 1. Questionnaire surveys. 2. Online focus group discussion (Lunt & Livingstone, 1996), and 3. Comparing both companies' financial performance using the business model canvas and in-house financial statements. In line with the discussions of the above-mentioned analytical results, this chapter presented the answers to all research questions based on the analysis of the above results. In addition, analyses from the gathered empirical data have been presented to answer the research questions and fulfill the research objectives. The main issues of this chapter focused on the context in the following three sections.

1. Conclusions and discussions.
2. Limitations and Implications
3. Recommendations for further study.

5.1 Conclusions and Discussions

The first objective of this research study was to explore the causal relationships of the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence of the Chinese corporations, and the impact of these factors on these Chinese corporations' business performances in the ESDZ of Thailand. The current findings supported the given objective and hypotheses. Therefore, we concluded that the ESDZ environmental dimensions, business strategy emphasis, and cross-cultural competence were significant determinants of Chinese corporations' performance in the ESDZ of Thailand. Theoretically, in line with previous studies, the current research identified four crucial dimensions accounting for the positive effects on business performances. The findings contribute to knowledge in business sustainability, strategic management, and cross-cultural competence in several ways.



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Firstly, previous studies indicated that there was a gap in the use of the construct of resources in general, but the business performance had not been directly linked to environment dimension, business emphasis, and cross-cultural competence altogether (Cynthia, 2014, Juniarti, 2015, Oyewobi, Windapo, & Rotimi, 2014, Swamidass & Newell, 1987, Ward, Duray, Leong, & Sum, 1995). (Furthermore, previous findings showed only a disorganized picture of relationships among environmental dimension, operation strategy, and corporate performances in several industries (Hofstede, 2010, Juniarti, 2015, Oyewobi et al., 2014). These findings concluded that the business environment moderated the effects of organizational strategies on business performances.

The first phase of this research, which comprised quantitative and qualitative research methods, conceded similar results. Accordingly, through our quantitative research findings, we provided an understanding of the direct effects, indirect effects, and total effects of the ESDZ environment dimensions, business strategy emphasis, and cross-cultural competence on Chinese corporations' business performances in the ESDZ. These results evidenced that the ESDZ environmental dimensions, business strategy emphasis, and cross-cultural competence are crucial factors, have positive, significant, and direct and indirect effects on the Chinese corporations' business performance in the ESDZ. Hence, the research findings supported hypothesis 1 that there are causal relationships between the ESDZ environmental dimensions, business strategy emphasis, cross-cultural competence, and the Chinese corporations' business performance in the ESDZ of Thailand.

From the qualitative research method, the findings of this research study's focus group discussion have results similar to previous research of the same nature and supported the quantitative research findings mentioned earlier. For example, in his study, Hartman (2004) explored organizational elements related to cultural issues. His findings demonstrated that focus group methodology was an impactful factor in business communication research. The key findings of the focus group revealed that the EDSZ environmental dimensions, business strategy emphasis, and cross-cultural competence are important factors, closely related and have fatal impacts on the business performance of these Chinese corporations as in previous researches (Li &

Liu, 2014, Oyewobi, Windapo, & Rotimi, 2014, Salmani, Reza Taleghani, Akbari, & Salmani, 2014, Swamidass & Newell, 1987, Ward et al., 1995). To be more precise, we discovered that cross-cultural competence plays an important role (Dinges, 1996, Gudykunst & Hammer, 1984, Hammer et al., 1978) in these Chinese corporations. Hence, cross-cultural competence as the only independent variable affects business performance, environmental dimension, and business strategy emphasis (Ang et al., 2007). Also, environmental dimension and business strategy emphasis have long been proven by previous researchers (Anwar & Hasnu, 2016, Eruemegbe, 2015, Gnyawali & Fogel, 1994, Juniarti, 2015, Swamidass & Newell, 1987, Ward et al., 1995) that they are fatal factors deliberating business performance.

From the research findings in the first phase of this research, we would like to conclude that cross-cultural competence, business strategy emphasis, and ESDZ environmental dimensions are crucial factors. Cross-cultural competence was the most influential factor in this research study compared to business strategy emphasis and ESDZ environmental dimensions. Moreover, they are very closely related and have fatal impacts on Chinese corporations' business performance in the ESDZ. Therefore, cross-cultural competence, business strategy emphasis, and ESDZ environmental dimension have positive, significant, direct, and indirect effects on the Chinese corporations' business performance in the ESDZ.

At this stage, the research would like to elaborate further on our discussion and conclusion of our findings on the most impactive factor, cross-cultural competence. Culture incorporates ethics, morals, principles, opinions, actions, conducts, customs, norms, traditions, habits, religion, languages, and more. This diversity in culture is now faced by business globalization as a severe challenge. Hence, international establishments have to develop strategies to cope with these challenges and translate them into their competitive advantage. These cross-cultural diversities might create potential hesitant blocks for these international organizations if not well recognized, proactively estimated, and intelligently dealt with. Building up confidence, improving cross-cultural competence, developing a new global mindset, comprehending detailed cultural diversities, enhancing negotiating skills, learning time-sensitivity effects, enforcing office manners, upholding gender equilibrium are



some of the strategies used. Such compromising strategies can be recognized as cross-cultural competence and are used in leading international organizations that have successfully incorporated such cultural diversities and achieved prosperous performance globally.

The second objective of this research study was to explore the Chinese corporations' different business strategy emphasis in the ESDZ of Thailand among high and low business performance groups and cross-cultural competence groups under the same perceived environment. The corresponding alternate hypothesis was that high and low business performance groups and high and low cross-cultural competence groups of Chinese corporations in the ESDZ of Thailand employed a different business strategy emphasis under a similar business environment. The current findings posited that Chinese corporations in both high and low business performance groups and high and low cross-cultural competence groups in the ESDZ of Thailand used different business strategies emphasis under the same perceived environment, and these are also consistent with previous literature (Badri, Davis, & Davis, 2000, Ward et al., 1995, Swamidass and Newell 1987).

Theoretical work in business strategy supports the concept that quality, flexibility, and delivery are suitable operation strategy responses to environmental dimensions dynamism (Fine & Hax, 1985, Fitzsimmons, Kouvelis, & Mallick, 1991, Hayes & Schmenner, 1978). (In addition, previous findings also considered that characteristics that support feedback from customers are valuable in dynamic environmental dimensions (Miller, 1988, Porter, 1980, Richardson, Taylor, & Gordon, 1985, Ward et al., 1995). Successful companies confronting a greater perceived competitive hostility respond with a more intensive focus on quality and delivery performance, thus demonstrating an effort to distinguish their products further relative to stressing a cost reduction strategy. This deliberate response for successful companies is consistent with the findings from other studies (Fitzsimmons et al., 1991, Ward et al., 1995, Ward, Leong, & Boyer, (2007, which also suggested that successful companies respond to perceived labor shortages through flexibility strategy emphasis. Badri, Davis, & Davis (2000) confirmed that this result is consistent with many researchers' opinions in operation strategy that shortages of



skilled labor were significant for pursuing an operation flexibility strategy (Jaikumar.1998).

Hence, from both the quantitative and qualitative research findings from phase 1 discussed above, we would like to conclude that 1. Chinese corporations in both high and low business performance groups used different business strategy emphasis under similar business environments, and 2. Chinese corporations in both high and low cross-cultural competence groups in the ESDZ used different business strategy emphasis under similar business environments.

The third objective of this research study was to develop an integrated business model innovation process (The ESDZ Business Model Innovation Process) using analytical data results from both research methods (Quantitative: Questionnaire Survey and Qualitative: Focus Group Discussion) from the first phase of this research study. We used data collected in the first phase of this research and BMI literature reviews as guidelines and references. The development processes were achieved in the second phase of this research, which involved analyzing data collected (Qualitative) and the statistical results obtained (Quantitative) from the first phase. The deductions and inferences of the quantitative and the qualitative results were then used to moderate and design the ESDZ Business Model Innovation Process framework, considering the causal relationships between the latent variables and the in-depth analysis of the data collected from the focus group discussion. We then adapted to previous literature reviews, fundamental procedures of the Business Model Canvas, available theories on BMI process, the theoretical framework and the conceptual framework in Chapter 1 of this research study, result findings of the mixed methods research mentioned above, business model, and business model innovation processes, designing literature associated to the CBMIP for further adjustment and development of the ESDZ Business Model Innovation Process framework.

Hence, we would like to conclude that we had successfully developed an integrated business model innovation process (The ESDZ Business Model Innovation Process) in the second phase of this research study. Furthermore, we used analytical results from both research methods (Quantitative: Questionnaire Survey and



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Qualitative: Focus Group Discussion) from the first phase of this research study and BMI literature reviews as guidelines and references, fulfilling the third research question's corresponding answers.

The fourth research objective of this research study was to compare and demonstrate that the ESDZ Business Model Innovation Process is compatible with the Cambridge Business Model Innovation Process. Therefore, its implementation helps to improve the business performance of the Chinese corporation participant. For this particular objective, we had confirmed and fulfilled two of the following methods. First, we used the Business Model Canvas to compare both Chinese corporation participants' status before and after the implementation phase of both business model processes. Second, we compared both Chinese corporation participants' status before and after the implementation phase by analyzing their financial statements during the implementation phase, which lasted for three months from June 2020 till September 2020.

For the Business Model Canvas evaluation, we had compared both Chinese corporation participants in several dimensions. Firstly, we recorded and examined both companies' key elements at the beginning of the implementation phase. After which, we compared records of all key elements within the Business Canvas Models of both companies, including nine key elements: key elements, key activities, key resources, value proposition, customer relationship, channels, customer segment, cost, and revenue. From this comparison of both companies' Business Model Canvas at the beginning of the implementation phase, we were able to gather important and crucial evidence of both companies' operation status at this period of the research phase. Again, this information contributed to the conceptual design and detail design phase of the ESDZ Culture Integrated Business Model Innovation Process. Second, we recorded and examined both companies' key elements at the end of the implementation phase. These records were again compared within the Business Canvas Models of both companies. Hence, we were able to explore the differences between key elements of both companies.

On the other hand, similar key elements were also explored and recorded. These results findings showed the similarity and difference of both companies operating in a similar perceived environment. Third, we compared key elements of both companies' Business Canvas Models before and after the implementation phase. Results findings showed that both Business Canvas Models recorded major improvement for all key elements. These records are important evidence that proved operation status integration, enhancement, and perfection during the business model innovation process for both the Cambridge Business Innovation Process and the ESDZ Culture Integrated Business Innovation Process. In addition, we kept track of the number of newly created key elements before and after the implementation phase and made a comparison for both companies. Lastly, we presented the similarity and differences of key elements of both Business Model Canvas for both companies in the previous chapter.

This research study used an alternate approach that compared both companies' Business Model Canvas as a case study. Financial analyses of both companies before and after the implementation phase were recorded separately and compared to prove that both BMI processes, namely, the Cambridge Business Model Innovation Process and the ESDZ Culture Integrated Business Model Innovation Process were compatible and help moderate the business performance of both companies. The financial analysis in this research study was based wholly on the four main financial ratios: profitability ratio, liquidity ratio, efficiency ratio, and growth ratio of the Chinese corporation participants. These crucial financial indices were recorded before and after the implementation phase to compare the business performance at these two different periods and record highlights and business operations changes. Therefore, in terms of more immediate implications for this particular research study, we chose the four main financial ratios to monitor the Chinese corporation participants' business operation status. Significant result findings showed that both companies had a slight increase in business performance in a financial aspect.

Finally, we would like to conclude this dissertation research study on the investigation of casual relationships among impactive factors – 1. ESDZ



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Environmental dimensions, 2. Cross-cultural competence, 3. Business strategy emphasis, 4. Business performance of Chinese FDIs in the ESDZ of Thailand, 5. Development of an integrated BMI process, and 6. Compare and demonstrate that the EBMIP is compatible with the CBMIP. The preceding and influential previous research, especially that of Schneider and Spieth (2013), Hofstede (2010), Osterwalder and Pigneur (2011), Geissdoerfer et al. (2017), and other published papers had inspired this research study. Without the contributions of such explorations mentioned above, this research study may not have been completed. Data analysis, data results, findings, and recommendations from this study may be desirable or suitable for future research for other researchers and this researcher alike.

5.2 Limitations and Implications

5.2.1 Quantitative Research Method Limitations – Questionnaire Survey

Since this research study consisted of a quantitative research method (Questionnaire Survey) in the first phase, we would like to acknowledge some of its limitations to provide a more apparent review of its practice. The quantitative research method allows large size samples, and it enables accurate analysis results to be generalized. However, the quantitative approach wants to find answers to specific questions to prove or disprove a particular hypothesis. It does not care about the motives that people have when sharing an opinion or making a decision. That means this option cannot measure how society changes or how people interpret their actions or others' actions. Quantitative research does not provide the possibility to review responses with participants. Researchers' replies must stand by themselves, even if the information seems confusing or invalid. Instead of following a tangent as other methods, the quantitative option has very few opportunities to ask for clarity. The quantitative approach does not look for the details of why variables occur in explicit environments. Its goal is to discover the different characteristics in a specific situation to induce data that can be used for generalization purposes.

5.2.2 Qualitative Research Method Limitations – Focus Group

Discussion

We continue to acknowledge some of the limitations of the qualitative research method (Focus Group Discussion) used in this research study in the first phase. These limitations include design features or methodology that may affect the explanation or understanding of the research findings as follows – 1. As the data is in large quantity, analysis and interpretation of the data take much time. 2. The subjects' responses might be affected as we are bound to be present during data gathering. 3. The qualitative research method does not offer statistical illustrations. It only provides research data from perspectives and viewpoints. 4. Responses from this method of research also cannot usually be measured. Only comparisons are possible, and that tends to create data duplication over time.

5.2.3 Business Model Canvas Limitations

Osterwalder and Pigneur (2002), the founders of the BMC, mentioned that, although there are remaining questions unanswered in a more straightforward logic, the theoretical examination of the tools studied did demonstrate a balanced nature to some aspects. However, their research study was restricted to introducing only the theoretical framework for developing the proposed method. Hence, there was no in-depth study in defining the elements of a performance management system.

We had summarized a few significant limitations of the BMC in this research study as follows - 1. The value proposition building block does not permit the inclusion of social values, which indicates that the BMC is not suitable for non-profit and governmental institutions. 2. The customer relationships, distribution channels, key activities, and key resource building blocks are overlapped and interrelated, leading to misperceptions during executions. 3. The cost structure and revenue structure building blocks have insufficient space for intensive calculations. 4. The BMC has no room for creativity because it limits innovative thinking within the nine building blocks. 5. The BMC has minimum controllability of design decisions as it does not inspire external resources, assumptions, and decision-making.

5.2.4 Business Model Innovation Limitations

Recent research of BMs has evolved distinctively from other disciplines (Zott, Amit, & Massa, 2011) such as technology and innovation management, e-business, and management strategy. These various disciplines resulted in highly diverse definitions of BMs and their innovation processes. Various definitions from these fields described BMs in a variety of ways – 1. “The logic of the company, the way it operates and how it creates value for its stakeholder” (Casadesus-Masanell & Ricart, 2010), 2. “A simplified description and representation of a complex entity or process” (Osterwalder, Pigneur, & Tucci, 2005). 3. “Structural templates offer the BM construct as a unit of analysis for future research” (Amit & Zott, 2001). 4. “The term BMI describes new BMs' implementation” (Chesbrough, 2010, Lee, Shin, Hong, & Kim, 2011). 5. “Creating new companies and adapting existing BMs in established businesses, either as an evolution over time or more rapidly following mergers and acquisitions” (Giesen, Berman, Bell, & Blitz, 2007, Johnson, 2010). The significance and consequences of these multiple definitions and approaches are “that the BMI literature is characterized by conceptual ambiguity and disconnected research efforts” (Foss & Saebi, 2017).

5.2.5 Research Study Limitations

From the general descriptions of the limitations on each of the key structures in this research study, we would like to continue with more precise limitations which we had encountered practically. This research study possessed the following limitations that may provide avenues for future research. First, business cost, labor availability, competitiveness hostility, and ESDZ environment dynamism were conceptualized as observable variables in the environmental dimensions factor. We suggest that other factors such as government regulations and the political situation may be included in future studies to create a more inclusive context of environmental dimensions. Second, despite demonstrating effects of the business environment, cross-cultural competence, business strategy emphasis on the business performances of the Chinese corporations in the ESDZ of Thailand, it is probable that the self-reporting instrument may not reflect a complete representation of the concept. Therefore, other

research tools and methods should be utilized along with the rating scale to obtain more valid responses. Future research could overcome this limitation by including a mixed-methods approach similar to this research study. Third, future research should consider longitudinal study since culture intelligence variables are dynamic competency, and their effects may vary over time (Rose RC, Ramalu SS, Uli J, & N, 2010). Finally, since this study assessed top management expatriates' perceived abilities in the business strategy emphasis decisions, a qualitative research method using interviews or observations may deliver a broader understanding of how the business strategy emphasis choices may affect these outcomes.

The qualitative research method of this research study, an online focus group discussion, is also exposed to the general limitations of such research natures. These include the following: 1. Although there are several benefits to consider when using our viewpoints in the qualitative research method, we experienced subjective quality to the data collected. 2. While the qualitative research method fetched very informative data, it is very time-consuming to sort through the essentials to regulate what is practical and what is not. Moreover, it is a component of uncertainty that is never actually removed from this selection. 3. The focus group discussion does not comprise any statistics information, is not subject to generalization, and is difficult for recurring processes. 4. We must recognize the particular subject to obtain desired results and translate the responses accurately. 5. Researchers must be familiar with non-verbal cues, have an empathetic response, and understand the meaning of the participant's action when going through the process. Repeating the work with distinctive researchers is one way to counter this issue, have third-party confirmation, or take steps to pursue the findings even if no one else agrees with them.

For issues concerning the literature reviews, it should also be acknowledged that our literature reviews had been limited in certain respects. For example, we focused on only literature reviews in English articles and journals. Moreover, our sample selection included a degree of subjectivity in both the formulation and application of the criteria. Therefore, it is possible that we may have missed some relevant papers in other languages. However, the review of journals dominates the



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academic field of business, and it is unlikely that our conclusions would be changed significantly by finding a few more papers within those journals or elsewhere.

Finally, from the output of phase 2 of this research study, the ESDZ presented a detailed framework of an integrated business model innovation process. However, due to limited time, resources, and the Covid-19 epidemic situation, some detailed features within the BMI process were unable to execute in full scale. For example, both the piloting processes in both BMI processes were carried out in limited versions. Moreover, various interviews and workshop sessions were performed with inconsistent intervals due to the Covid-19 epidemic situation. We acknowledged that such inconsistency may affect the continuity of research activities and may result in different possible outcomes. Fortunately, these time interval barriers did not last for long, and we believed that the effects were minimized.

5.3 Recommendations for Further Studies

From the limitations discussed above, the following were recommended as future research focuses. First, future research should optimize BM tools that maximize the strengths and familiarize to the BMC limitations. Second, in-depth case research of different successful BMs should be done to develop an ideal BM and simultaneously to an ideal BM tool. Future research should be focused on the elements used in the BM, which are seen as essentials for success. A research question could be: “What are the essential elements of a BM, and what kind of impact do the elements have on a BM's success?”. Based on a couple of successful BMs' research, an improved BM tool can be constructed, which considers the research's strengths and limitations. Another suggestion for future research is a business model's success concerning the Business Model Canvas over time. When designing a business model, the Business Model Canvas focuses on a business model that will work at a certain period. The volatility of factors around and inside an organization can result in a changed business model. A research question could be: ‘What could be improved in business model tools to adapt better to internal and external changes?’.

We proposed that future research builds upon the results outlined in this paper by testing and implementing the design process for achieving BMI. A review of design literature focused on the transition over time of design toward involvement with BMs and BMI would provide additional valuable contributions to the research field of design and BMI and build upon this paper's review of existing design and BMI research. Future research should apply and test this process to facilitate more standardized and extendable BMI methods. Continued research will allow this emerging field to develop further and design-led approaches to become more prominent within the field of BMI.

Lastly, our findings did not provide a basis for differentiating between industries concerning factors in organization design that affect the dynamic capabilities needed for SBMI. Research by Hacklin et al. (2018) suggests that value migration - those shifts in value-creating forces typically resulting from the move from old business models to new ones to meet changing customer needs - is more prevalent in specific industries than others and therefore affects the extent to which companies in various industries would engage in BMI. While industries may be confronted with sustainability challenges to varying degrees, we suggest future research into the organization design factors per industry and whether these depend on the degree of value migration concerning sustainability. To this end, we view the present study on SBMI, organization design, and dynamic capabilities as a fruitful source for future research to guide companies in their transitions towards achieving greater sustainability levels and supporting business practice towards sustainability.



2582979445

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APPENDICES



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Appendix A Questionnaire (English Version)

This questionnaire survey is a part of a research study of the Ph.D. course, Batch 59/1 of the RMCS College, Burapha University. This questionnaire survey consisted of likert questions concerning the Eastern Special Development Zone *Environmental Dimensions*, *Culture Competence*, *Business Strategy Emphasis* and *Business Performance* of Chinese Business Corporations in the Eastern Special Development Zone of Thailand under the Thailand 4.0 Economic Development Scheme. All information provided by our participants will be kept confidential.



QUESTIONNAIRE

INTRODUCTION

Thank you for agreeing to help us learn about your experience as a Chinese Business Corporation or Chinese Foreign Direct Investor in the Eastern Special Development Zone of Thailand. Your answers are completely anonymous and cannot be linked to you in any way that can identify you. Please answer the following questions by circling the number of the answer that come closest to your opinion.

COMPANY INFORMATION

1. Company Name:

2. Company Address:

3. Registration Date:

4. Registration Capital:

5. Type of Business:

6. Total number of employees:

QUESTIONNAIRE SURVEY

Part A: Environment

The following questions concern *Environmental Dimensions* related to the Eastern Special Development Zone of Thailand. Choose the number to indicate the degree to which the following is a current concern to your company.

Environmental Dimension is defined as the economic environment consists of the conditions under which any given business finds itself within the market that corresponds to the service provided. These economic conditions include economic policies, interest rates, inflation rates, and consumer incomes. In this particular research study, the researcher refers the environmental dimensions practically to the following 4 specific prominence namely, *business cost; labor availability; competitiveness hostility* and the *Eastern Special Development Zone environment dynamism*.

By choosing the number 1 means the following is a very unimportant issue,

2 means the following is an unimportant issue,

3 means the following is a neutral issue,

4 means the following is an important issue,

5 means the following is a very important issue.

	Very Unimportant			Very Important	
<i>Business Costs Promotion in ESDZ</i>					
Lowering labor cost	1	2	3	4	5
Lowering material cost	1	2	3	4	5
Lowering transport cost	1	2	3	4	5
Lowering telecommunication cost	1	2	3	4	5
Lowering utilities cost	1	2	3	4	5
Lowering rental cost	1	2	3	4	5
Lowering health care cost	1	2	3	4	5
Strong Chinese Yuan	1	2	3	4	5

Labor Maturity in ESDZ

Shortage of managerial and administrative staff	1	2	3	4	5
Shortage of technicians	1	2	3	4	5
Shortage of clerical and related workers	1	2	3	4	5
Shortage of skilled workers	1	2	3	4	5
Shortage of production workers	1	2	3	4	5
Inability to operate third shift	1	2	3	4	5

Competitive Hostility in ESDZ

Keen competition in local markets	1	2	3	4	5
Keen competition in foreign markets	1	2	3	4	5
Low profit margins	1	2	3	4	5
Declining demand in local market	1	2	3	4	5
Declining demand in foreign market	1	2	3	4	5
Producing to the required quality standards	1	2	3	4	5
Unreliable suppliers and customers quality	1	2	3	4	5

The following questions concern the Dynamism in environmental factors in the Eastern Special Development Zone of Thailand. Circle the number to indicate the rate of change in the following factors over the next two years.

By choosing the number 1 means the rate of change is a slow issue,

2 means the rate of change is a rather slow issue,

3 means the rate of change is a normal issue,

4 means the rate of change is a rather quick issue,

5 means the rate of change is a rapid issue.

Slow
Rapid

Dynamism in ESDZ

Rate at which products and services become outdated	1	2	3	4	5
Rate of innovation of new products and services	1	2	3	4	5

Rate of innovation of new operation processes	1	2	3	4	5
Rate of change in taste and preferences of customers in your industry	1	2	3	4	5

Part B: Business Strategy Emphasis

The following questions concern the *Business Strategy Emphasis* used by your company while engaging in the Eastern Special Development Zone of Thailand. Indicate the degree of emphasis which your company uses on the following activities over in year 2018.

Business Strategy is defined as the decision-making process that take place in business to improve the products in order to sustain firms' competitive position or service in particular industry or market segment that present in business. Therefore, business strategy can be understood as the course of action or set of decisions which assist the entrepreneurs in achieving specific business objectives. In this particular research study, the researcher refers the business strategy emphasis practically to the following 4 specific prominence namely, *Cost Emphasis*, *Quality Emphasis*, *Flexibility Emphasis* and *Delivery Emphasis*.

By choosing the number

1 means the company has no emphasis on the issue,

2 means the company has little emphasis on the issue,

3 means the company has normal emphasis on the issue,

4 means the company has much emphasis on the issue,

5 means the company has extreme emphasis on the issue.

	No Emphasis				Extreme Emphasis
<i>Cost Emphasis</i>					
Reduce unit costs	1	2	3	4	5
Reduce material costs	1	2	3	4	5

Reduce overhead costs	1	2	3	4	5
Reduce inventory level	1	2	3	4	5

Quality Emphasis

Reduce defective rates	1	2	3	4	5
Improve product performance and reliability	1	2	3	4	5
Improve suppliers' and customers' quality	1	2	3	4	5
Implement quality control circles	1	2	3	4	5
Obtaining ISO Updated Certifications	1	2	3	4	5

Flexibility Emphasis

Reduce manufacturing lead-time	1	2	3	4	5
Reduce procurement lead-time	1	2	3	4	5
Reduce new product develop cycle	1	2	3	4	5
Reducing setup/changeover time	1	2	3	4	5

Delivery Emphasis

Increase delivery reliability	1	2	3	4	5
Increase delivery speed	1	2	3	4	5
Improve pre-sales service and technical support	1	2	3	4	5
Improve after sales service	1	2	3	4	5

Part C: Cross-Cultural Competence

The following questions concern the *Cross-Cultural Competence* of your company's top management while engaging in business operations in the Eastern Special Development Zone of Thailand. Indicate the degree of cultural competence your company's top management has on the following cultural dimensions:

Cross-Cultural Competence is defined as a set of attributes and personal qualities characteristic of certain individuals or as a kind of expertise such as the level of proficiency in the learning, application, and creation of cross-cultural knowledge. In this particular research study, the researcher refers the *Cross-Cultural Competence* practically to the following 9 specific prominence namely, *Power Distance*, *Individualism vs. Collectivism*, *Uncertainty Avoidance*, *Masculinity vs. Femininity*, *Long-term Orientation vs. Short-term Orientation*, *Indulgence vs. Restraint*, *Cognitive*

Culture Intelligence, Physical Culture Intelligence and Emotional Culture Intelligence.

To what extent do you agree or disagree with each of the following statements?
(please circle one answer in each line across):

1 means Strongly Disagree

2 means Disagree

3 means Undecided

4 means Agree

5 means Strongly Agree

Power Distance (PDI)

- | | | | | | |
|--|---|---|---|---|---|
| 1. One can be a good manager without having a precise answer to every question that a subordinate may raise about his or her work. | 1 | 2 | 3 | 4 | 5 |
| 2. Persistent efforts are not the surest way to results. | 1 | 2 | 3 | 4 | 5 |
| 3. An organization structure in which certain subordinates have two bosses is acceptable in this society. | 1 | 2 | 3 | 4 | 5 |
| 4. A company's or organization's rules can be broken, if the employee thinks breaking the rule would be in the organization's best interest. | 1 | 2 | 3 | 4 | 5 |

Individualism vs. Collectivism (IDV)

- | | | | | | |
|--|---|---|---|---|---|
| 1. It is an individual freedom to express feelings in public. | 1 | 2 | 3 | 4 | 5 |
| 2. In this society, leaders do not encourage group loyalty if individual goals suffer. | 1 | 2 | 3 | 4 | 5 |
| 3. The economic system in this society is designed to maximize individual interest. | 1 | 2 | 3 | 4 | 5 |
| 4. People are promoted based on competence, no matter their age. | 1 | 2 | 3 | 4 | 5 |

Uncertainty Avoidance Index (UAI)

- | | | | | | |
|--|---|---|---|---|---|
| 1. In this society, orderliness and consistency are given up | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|

at the expense of experimentation and innovation.

2. In this society, societal requirements and instructions are spelled out in detail so citizens know what they are expected to do. 1 2 3 4 5
3. In this society, there are some rules and customs that all people must respect. 1 2 3 4 5
4. Children must be taught to be organized and to avoid ambiguity. 1 2 3 4 5

Masculinity vs. Femininity (MAS)

1. A good quality of life is important for both men and women. 1 2 3 4 5
2. In this society, boys and girls are encouraged to attain a higher education. 1 2 3 4 5
3. In this society, women and men are preferred equally in a high position jobs. 1 2 3 4 5
4. Decisions at work must be based on consensus. 1 2 3 4 5

Long-term Orientation vs. Short-term Orientation (LTO)

1. In this society, people place more emphasis on planning for short-term objectives. 1 2 3 4 5
2. Main work values include learning, honesty, adaptiveness, accountability, and self-discipline. 1 2 3 4 5
3. Work is less important than leisure time. 1 2 3 4 5
4. People value personal stability and continuity instead of everything is relative and always changing. 1 2 3 4 5

Indulgence vs. Restraint (IND)

1. In this society, there is a higher percentage of very happy people and it is not a tight society. 1 2 3 4 5
2. In this society, freedom of speech is a primary concern. 1 2 3 4 5
3. Moral Discipline such as thrift, the quality of using money and other resources carefully and not wastefully is not the main concern in this society. 1 2 3 4 5



4. In this society, gender roles are loosely prescribed and less strict sex norms. 1 2 3 4 5

Cognitive Culture Intelligence (CCQ)

1. Before I interact with people from a new culture, I never ask myself what I hope to achieve. 1 2 3 4 5
2. I do not plan how I am going to relate to people with a different culture before I meet them. 1 2 3 4 5
3. When I come into a new culture, I am not able to sense immediately when something goes wrong. 1 2 3 4 5
4. I do not know the legal and economic systems of other cultures. 1 2 3 4 5
5. I do not know the rules for expressing non-verbal behaviors in other cultures. 1 2 3 4 5

Physical Culture Intelligence (PCQ)

1. It is not easy to change my body language to suit people from a different culture. 1 2 3 4 5
2. I find it difficult to modify my speech style to suit people from a different culture. 1 2 3 4 5
3. I find it difficult to change the way I act when a cross-culture encounter seems to require it. 1 2 3 4 5
4. I never alter my facial expressions when a cross-cultural interaction requires it. 1 2 3 4 5
5. I vary the rate of my speaking when a cross-cultural situation requires it. 1 2 3 4 5

Emotional Culture Intelligence (ECQ)

1. I have no confidence that I can deal well with people in a different culture. 1 2 3 4 5
2. I am uncertain that I can befriend people whose cultural 1 2 3 4 5

background is different from mine.

3. I cannot adapt to the lifestyle of a different culture at relative ease. 1 2 3 4 5
4. I do not enjoy interacting with people from different cultures. 1 2 3 4 5
5. I am sure I can deal with the stresses of adjusting to a culture that is new to me. 1 2 3 4 5

Part D: Business Performance in 2018

The following questions concern the *Business Performance* of your company while engaging in business operations in the Eastern Special Development Zone of Thailand. Indicate how did your company performed in year 2018 by choosing the appropriate financial indicators below according to your company's financial statements:

Business Performance is defined as the degree to which financial objectives being or has been accomplished. Therefore, it is the process of measuring the results of a firm's policies and operations in monetary terms. In this particular research study, the researcher refers the Cross-Cultural Competence practically to the following 4 specific prominence namely, *Liquidity, Efficiency, Profitability and Growth Rate*.

Liquidity Indicators

Times

Current Ratio	≥ -1.0	≥ 0	≥ 1.0	≥ 2.0	≥ 3.0
Quick Ratio	≥ -1.0	≥ 0	≥ 1.0	≥ 2.0	≥ 3.0

Efficiency Indicators

Total Asset Turnover	≥ 1.0	≥ 2.0	≥ 3.0	≥ 4.0	≥ 5.0
Accounts Receivable	≥ 1.0	≥ 2.0	≥ 3.0	≥ 4.0	≥ 5.0

Turnover

Inventory Turnover	≥ 6.0	≥ 7.0	≥ 8.0	≥ 9.0	≥ 10.0
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Profitability Indicators

Percentage

Operating Profit Margin	Negative $\geq 1.0\%$	$\geq 5.0\%$	$\geq 10.0\%$	$\geq 15.0\%$
Return on Assets	Negative $\geq 1.0\%$	$\geq 2.0\%$	$\geq 3.0\%$	$\geq 5.0\%$
Return on Equity	Negative $\geq 1.0\%$	$\geq 5.0\%$	$\geq 10.0\%$	$\geq 15.0\%$

<i>Growth Rate</i>	Percentage			
Revenue Growth	Negative $\geq 1.0\%$	$\geq 5.0\%$	$\geq 10.0\%$	$\geq 5.0\%$
Net Profit Growth	Negative $\geq 1.0\%$	$\geq 5.0\%$	$\geq 10.0\%$	$\geq 15.0\%$



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Appendix B Questionnaire (Chinese Version)

此调查问卷是泰国东方大学RMCS认知学学院第59/1批博士课程研究的一部分。本次调查问卷由李克特问题组成，内容涉及泰国4.0经济发展计划下中国企业在泰国东部开发区的环境维度、文化竞争力、经营战略重点和经营绩效。所有参与者所提供的资料将会保密



博士课程研究调查问卷

简介

感谢您作为在泰国东部特别开发区的中国企业家或中国在海外直接投资人给我们分享您的经验。本次问卷为匿名调查问卷，公司信息不对外公布。请回答以下相关问题，试选出与您观点最相近的选项。谢谢。

公司信息

1. 公司名称: _____
2. 公司地址: _____
3. 注册日期: _____
4. 注册资本: _____
5. 业务类型: _____
6. 员工总人数: _____

调查问卷

第一部分：环境

下列问题涉及与泰国东部特别开发区有关的环境问题。圈出一个数字表示您公司目前对以下事项的关注程度。

环境维度的定义是经济环境由以下条件组成:任何给定的业务发现自己处于与所提供的服务相对应的市场中。这些经济条件包括经济政策、利率、通货膨胀率和消费者收入。在本研究中，环境维度实际指的是以下4个事项的显著性：即企业成本、劳动力的实用性、竞争意识与东部开发区的环境活力。

- 选择数字1 代表以下问题非常不重要
- 2 代表以下问题不重要
- 3 代表以下问题是中立的
- 4 代表以下问题重要
- 5 代表以下问题非常重要

在东部开发区的业务成本推广	非常不重要					非常重要
1. 降低劳动力成本	1	2	3	4	5	
2. 降低材料成本	1	2	3	4	5	
3. 降低运输成本	1	2	3	4	5	
4. 降低电信成本	1	2	3	4	5	
5. 降低水电成本	1	2	3	4	5	
6. 降低租金成本	1	2	3	4	5	
7. 降低医疗成本	1	2	3	4	5	
8. 稳固的人民币兑换率	1	2	3	4	5	

东部开发区的劳动力成熟度	非常不重要					非常重要
9. 管理和行政人员短缺	1	2	3	4	5	
10. 技术人员短缺	1	2	3	4	5	
11. 文员及相关人员短缺	1	2	3	4	5	

12. 熟练工人短缺	1	2	3	4	5
13. 生产工人短缺	1	2	3	4	5
14. 不能三班倒操作	1	2	3	4	5

东部开发区的竞争意识	非常不重要				非常重要
15. 本地市场竞争激烈度	1	2	3	4	5
16. 国外市场的竞争激烈度	1	2	3	4	5
17. 营业利润率低	1	2	3	4	5
18. 本地市场需求下降	1	2	3	4	5
19. 国外市场需求下降	1	2	3	4	5
20. 生产符合质量标准要求	1	2	3	4	5
21. 不可靠的供应商和客户质量	1	2	3	4	5

以下问题涉及泰国东部特别开发区环境因素的活力，圈出一个数字表示未来两年以下因素的变化速度。

- 选择数字
- 1 代表变化速度很慢
 - 2 代表变化速度相对较慢
 - 3 代表变化速度正常
 - 4 代表变化速度相对较快
 - 5 代表变化速度很快

东部开发区的活力	很慢				
很快					
22. 产品和服务淘汰的速度	1	2	3	4	5
23. 新产品和服务的创新速度	1	2	3	4	5
24. 新操作流程的创新速度	1	2	3	4	5
25. 在您行业中顾客口味与偏好的变化率	1	2	3	4	5

第二部分：企业战略重点

以下问题涉及贵公司在泰国东部特别开发区经营战略的侧重点。说明贵公司在2018年对以下活动的重视程度。

商业战略的定义是在商业中进行的决策过程，以在特定的行业或市场细分中改善产品，维持公司的竞争地位或服务。因此，商业战略可以理解为帮助企业实现特定业务目标的行动过程或决策集合。在这个具体的研究中，研究者将企业战略的侧重点按实际地归纳为以下4种：即成本侧重点、质量侧重点、灵活性侧重点和交付侧重点。

- 选择数字
- 1 代表公司不重视这个问题
 - 2 代表公司不太重视这个问题
 - 3 代表公司正常看待这个问题
 - 4 代表公司比较重视这个问题
 - 5 代表公司非常重视这个问题

成本侧重视	不重视					非常重				
26. 降低单位成本	1	2	3	4	5					
27. 降低材料成本	1	2	3	4	5					
28. 减少管理费用	1	2	3	4	5					
29. 降低库存成本	1	2	3	4	5					

质量侧重视	不重视					非常重				
30. 提高产品性能和可靠性	1	2	3	4	5					
31. 提高供应商和客户的质量	1	2	3	4	5					
32. 执行质量控制循环	1	2	3	4	5					
33. 获得ISO最新认证	1	2	3	4	5					

灵活性侧重视	不重视					非常				
34. 减少制造周期	1	2	3	4	5					

35. 减少采购准备时间	1	2	3	4	5
36. 减少新产品开发周期	1	2	3	4	5
37. 减少设置/转换时间	1	2	3	4	5

交付侧重 重视	不重视				非常
38. 提高交货期限准确性	1	2	3	4	5
39. 提高交货速度	1	2	3	4	5
40. 完善售前服务和技术支持	1	2	3	4	5
41. 完善售后服务	1	2	3	4	5

第三部分：跨文化能力

以下问题涉及贵公司高层管理人员在泰国东部特别开发区开展业务时的跨文化能力。说明贵公司最高管理层在以下文化维度上的文化能力:

跨文化能力被定义为特定个体的一组属性和个人素质，或者是一种专业技能，如学习、应用和创造跨文化知识的熟练程度。在本研究中，研究人员将跨文化能力具体指权力距离、个人主义与集体主义、不确定性规避、男性倾向与女性倾向、长期取向与短期取向、放纵与克制、认知文化智力、体育文化智力和情感文化智力等9个具体的突出特征。

请您对相关陈述选出同意和不同意的程度? (请在每一行中圈出一个答案):

- 选择数字
- 1 代表强烈不同意
 - 2 代表不同意
 - 3 代表不确定
 - 4 代表同意
 - 5 代表强烈同意

权力差距（PDI） 同意	强烈不同意				强烈
42. 不必对下属要求有关他/她工作	1	2	3	4	5

的每一个问题必须有明确的答案，也能成为一个好的管理者					
43. 坚持不懈的努力并不是取得成果的最可靠途径	1	2	3	4	5
44. 在这个社会中，某些下属有两个老板的组织结构是可以接受的	1	2	3	4	5
45. 如果员工认为打破规则会让组织获得最佳利益，那么一个公司或组织的规则可以打破的	1	2	3	4	5

个人主义与集体主义(IDV)	强烈不同意				强烈同意
46. 在公共场合表达感情是个人的自由	1	2	3	4	5
47. 在泰国的社会里，如果个人目标受到影响时，领导者是不会以团队目标为主的	1	2	3	4	5
48. 泰国社会的经济制度旨在使个人利益为主	1	2	3	4	5
49. 不管年龄多大，人们都是根据能力得到提拔的	1	2	3	4	5

不确定性规避指数(UAI)	强烈不同意				强烈同意
50. 在泰国社会里，秩序和一致性是以牺牲试验和创新为代价的	1	2	3	4	5
51. 在泰国社会里，社会要求和指示被详细地阐明，让公民知道他们应该做什么	1	2	3	4	5
52. 在泰国社会里，有一些规则和习俗是所有人都必须遵守的	1	2	3	4	5
53. 在泰国社会里, 教育孩子们要有条理性，避免模棱两可	1	2	3	4	5

男性倾向VS女性倾向（MAS） 同意	强烈不同意					强烈
54. 良好的生活质量对男人和女人都很重要	1	2	3	4	5	
55. 在社会中，都应该鼓励男生和女生 接受更高的教育	1	2	3	4	5	
56. 在社会中，高职位选择上女性和男性 都应被平等地	1	2	3	4	5	
57. 工作中的决定必须基于达成共识	1	2	3	4	5	
长期导向VS短期导向（LTO） 同意	强烈不同意					强烈
58. 在社会中，人们更注重为短期目标 作计划	1	2	3	4	5	
59. 主要工作价值观包括学习、 诚实、适应能力、责任感和自律	1	2	3	4	5	
60. 工作不如闲暇时光重要	1	2	3	4	5	
61. 人们看重个人的稳定性和连续性， 而不是一切都是相对的，总是在变化	1	2	3	4	5	
放纵与克制 (IND) 同意	强烈不同意					强烈
62. 在这个社会中，非常快乐的人所占 的比例更高，而且这个社会并不紧张。	1	2	3	4	5	
63. 在社会中，言论自由不是首要考虑的问题	1	2	3	4	5	
64. 道德纪律如节俭，不浪费金钱和其他 资源的质量不是这个社会的主要问题	1	2	3	4	5	
65. 在这个社会，性别角色的规定宽松且 性别规范不那么严格	1	2	3	4	5	

文化认知智力(CCQ)	强烈不同意					强烈
同意						
66. 在与来自新文化的人交往之前， 我总是问自己我希望达到什么目标。	1	2	3	4	5	
67. 在遇到不同文化的人之前， 我确实有计划过如何与他们相处	1	2	3	4	5	
68. 当我进入一个新文化环境时， 有异常时我能立即感觉到	1	2	3	4	5	
69. 我了解其他文化的法律和经济体系	1	2	3	4	5	
70. 我知道在其他文化中表达非语言 行为的规则。	1	2	3	4	5	
体育智力(PCQ)	强烈不同意					强烈
同意						
71. 改变我的肢体语言来适应来自 不同文化的人是很容易的。	1	2	3	4	5	
72. 我发现很容易修改我的语言风格 以适应来自不同文化背景的人。	1	2	3	4	5	
73. 我发现，当跨文化接触需要改变 我的行为方式时它是很容易被改变的	1	2	3	4	5	
74. 当跨文化交流需要时，我会改变 我的面部表情。	1	2	3	4	5	
75. 当跨文化交流需要时，我会改变 我使用语言的速度	1	2	3	4	5	
情绪文化智力 (ECQ)	强烈不同意					强烈
同意						
76. 我有信心能很好地与不同文化	1	2	3	4	5	

背景的人沟通

77. 我相信我可以和不同文化背景的人交朋友	1	2	3	4	5
78. 我可以相对轻松地适应不同文化的生活方式	1	2	3	4	5
79. 我喜欢和来自不同文化背景的人交往	1	2	3	4	5
80. 我相信我能应付适应新文化的压力	1	2	3	4	5

第四部分：2018年企业业绩

以下问题涉及贵公司在泰国东部特别开发区开展业务时的经营业绩。根据贵公司的财务报表，选择以下适当的财务指标，以说明贵公司在2018年的业绩:

企业绩效被定义为财务目标的实现程度。因此，它是一个用货币来衡量公司政策和经营结果的过程。在本研究中，研究人员将跨文化能力实际指的是流动性、效率、盈利能力和增长率这4个具体的指示。

流动性指标

81. 流动比率	≥ -1.0	≥ 0	≥ 1.0	≥ 2.0	≥ 3.0
82. 速动比率	≥ -1.0	≥ 0	≥ 1.0	≥ 2.0	≥ 3.0

效率指标

83. 总资产周转率	≥ 1.0	≥ 2.0	≥ 3.0	≥ 4.0	≥ 5.0
84. 应收账款周转率	≥ 1.0	≥ 2.0	≥ 3.0	≥ 4.0	≥ 5.0
85. 存货周转	≥ 6.0	≥ 7.0	≥ 8.0	≥ 9.0	≥ 10.0

盈利能力指标

百分比

86. 营业利润率	负数	≥ 1.0%	≥ 5.0%	≥ 10.0%	≥ 15.0%
87. 资产回报率	负数	≥ 1.0%	≥ 2.0%	≥ 3.0%	≥ 5.0%
88. 股本回报率	负数	≥ 1.0%	≥ 5.0%	≥ 10.0%	≥ 15.0%

增长速度		百分比			
89. 营收增长	负数	≥ 1.0%	≥ 5.0%	≥ 10.0%	≥ 15.0%
90. 净利润增长	负数	≥ 1.0%	≥ 5.0%	≥ 10.0%	≥ 15.0%

Appendix C Focus Group Questions Apportionment (English Version)

Focus Group Questions Apportionment

Introduction

This open-end questionnaire survey will be used in a focus group discussion which is a part of a research study of the Ph.D. course, Batch 59/1 of the RMCS College, Burapha University. This open-end questionnaire survey consisted of discursive questions concerning factors affecting the business performance of Chinese business corporations operating in the Eastern Special Development Zone which includes, *Environmental Dimensions*, *Culture Competence*, *Business Strategy Emphasis*. All information provided by our participants will be kept confidential.



1. Business Costs Promotion in the Eastern Special Development Zone –
 - 1.1 What is your opinion on the types of Business Costs Promotion offered in the ESDZ at the present moment? For example, Labor, Material, Transport, Telecommunication, Utilities, Rental and Healthcare.
 - 1.2 How does an increase rate of exchange in the Chinese Yuan affect your company?
2. Labor Maturity in the Eastern Special Development Zone –
 - 2.1 How is the workforce of your company at the present moment? Sufficient for the whole business operation?
 - 2.2 Is there a shortage of any specific workforce? For example, Managerial and Administrative Staff, Technicians, Clerical and Related Workers, Skilled Workers and Production Workers.
 - 2.3 Does any of your company operate in a 3rd shift? Did you encounter any problem with a 3rd shift workforce?
 - 2.4 What are the labor sources that the company is searching at the present moment? Do they provide the right types of workforce for your company?
 - 2.5 Does your company depend on professional workforce from your parent company? For example, specific machines operating engineers, production line managers and other more important posts in the middle ranking levels?

3. Competitive Hostility in the Eastern Special Development Zone –

- 3.1 What is your opinion on a strong competition in the Eastern Special Development Zone for both local and foreign markets? (Focus on the different level of hostility in the different industries)
- 3.2 What is your opinion towards a declining demand in both local and foreign markets? How important is this factor to you as a managerial position in the company?
- 3.3 Does your company experience a lower profit margin? How important is this factor to you as a managerial position in the company?
- 3.4 Is the emphasis in producing to the required quality standards a necessary focus in your company at the present moment? What are the main measures taken in this issue?
- 3.5 Do you think that a reliable suppliers and customers quality is an important factor? How are the present relationships with your suppliers and customers at the present moment?
- 3.6 How do you notice the dynamism in all of the environmental factors in the Eastern Special Development Zone? Did you feel a faster changing environment compared to other industry areas?

Questions on Business Strategy Emphasis

1. What are the business strategy emphasis used by your company while operating in the Eastern Special Development Zone at the present moment? Which of the 4 types (Cost, Quality, Flexibility and Delivery) do you think is the most important business strategy used by your company? Which do you think is most suitable and best suits your business operations in the Eastern Special Development Zone?
2. Did your company focus on a specific business strategy emphasis more than implementing a mixed business strategy emphasis?
3. If you are using the Cost Emphasis, how much of emphasis is put into each of the following sub-categories of cost emphasis, unit cost; material cost; overhead cost and inventory cost?
4. If you are using the Quality Emphasis, how much of emphasis is put into each of the following sub-categories namely, reduce defective rates; product performance and reliability improvement; suppliers' and



customers' quality improvement; implementation of quality control circles and obtaining ISO updated certifications?

5. If you are using the Flexibility Emphasis, how much of emphasis is put into each of the following sub-categories namely, manufacturing lead-time reduction; procurement lead-time reduction; new product develops cycle reduction and the reduction of setup/changeover time?
6. If you are using the Delivery Emphasis, how much of emphasis is put into each of the following sub-categories namely, delivery reliability increment; delivery speed increment; pre-sales service and technical support improvement and after sales service improvement?

Questions on Cross-Cultural Competence

1. What is your opinion on the culture gap between Chinese culture and the Thai culture? Do you think that this culture gap is a barrier to the business operations of your company and how much does it hinder your business operations?
2. Which do you think the culture gap among the following 6 cross-cultural competency factors (Power Distance, Individualism vs. Collectivism, Uncertainty Avoidance Index, Masculinity vs. Femininity, Long-term Orientation vs. Short-term Orientation and Indulgence vs. Restraint) of Hostede's culture model has the most impact on your business operations in Thailand?
3. What are the major measures that your company takes at this present moment to narrow down the culture gap mentioned above?
4. What is your opinion concerning culture intelligence? How much do you understand on this topic? Do you think that personnel or employees with higher culture intelligence helps to conciliate problems related to culture gap?



Appendix D Focus Group Questions Apportionment (Chinese Version)

焦点小组问题分配

简介

此开放性问卷调查将作为Burapha大学RMCS学院第59/1批博士课程研究的一部分进行焦点小组讨论。

本次开放式问卷调查包括环境维度，文化竞争力，经营战略重点等影响中国企业在东部经济特区经营绩效的因素。所有参加者所提供的资料将会保密。



有关环境方面的问题:

1. 东部经济特区的商业成本推广:
 - 1.1 请问您对目前在ESDZ提供的商业成本推广的类型有什么看法? 如劳动力, 材料, 交通, 电信, 公共事业, 租赁与医疗。
 - 1.2 人民币升值对贵公司有何影响?
2. 东部经济特区的劳动力成熟度
 - 2.1 请问贵公司的员工情况如何? 是否足以应付所有业务运作?
 - 2.2 是否缺乏特定的员工? 如管理人员, 行政人员, 技术人员, 文员及相关人员, 熟练工人与生产工人。
 - 2.3 公司是否有三班制? 与三班制员工是否有遇到任何问题?
 - 2.4 公司目前正在寻找的劳力来源是什么? 是否为公司提供了正确的类型?
 - 2.5 贵公司是否依赖于母公司的专业员工? 例如具体的机械操作工程师, 生产线经理等更重要的处于中级的岗位。
3. 东部经济特区的竞争激烈性
 - 3.1 您如何看待在东部经济特区国内外市场的激烈竞争?(关注不同行业的激烈程度)
 - 3.2 您对于国内外市场需求下降有何看法? 作为公司的管理人员, 这个因素对你来说有多重要?
 - 3.3 贵公司的利润率是否较低? 作为公司的管理人员, 这个因素对你来说有多重要?
 - 3.4 贵公司目前是否有必要将生产的重点放在符合要求的质量标准上? 在这个问题上主要采取了哪些措施?

3.5 您认为可靠的供应商和客户质量是个重要的因素吗?目前您与供应商及客户的关系如何?

3.6 你是如何注意到东部经济特区所有环境因素的活力?与其他工业区相比,您是否觉得环境变化更快?

有关商业战略重点的问题:

1. 目前贵公司在东部经济特区的经营战略重点是什么?您认为这四项中(成本,质量,灵活性和交付)哪项商业战略是最重要的?您认为哪一项是最适合您在东部经济特区的商务运作?
2. 贵公司是否相对于实施混合商业战略重点,更加关注特定的商业战略重点?
3. 如果您侧重成本,那么以下每一项您各侧重多少(单位成本,材料成本,管理费用和库存费用)?
4. 如果您侧重质量,那么以下每一项您各侧重多少(降低次品率,提高产品性能和可靠性,供应商和客户的质量提升,实施质量控制循环并获得ISO最新认证)?
5. 如果您侧重灵活性,那么以下每一项您各侧重多少(缩短制造前置期;缩短采购前置期,缩短新产品开发周期与缩短设置/转换时间)?
6. 如果您侧重交付,那么以下每一项您各侧重多少(增加交付可靠,提高交货速度,提升售前服务技术支持和售后服务)?

有关跨文化的能力:

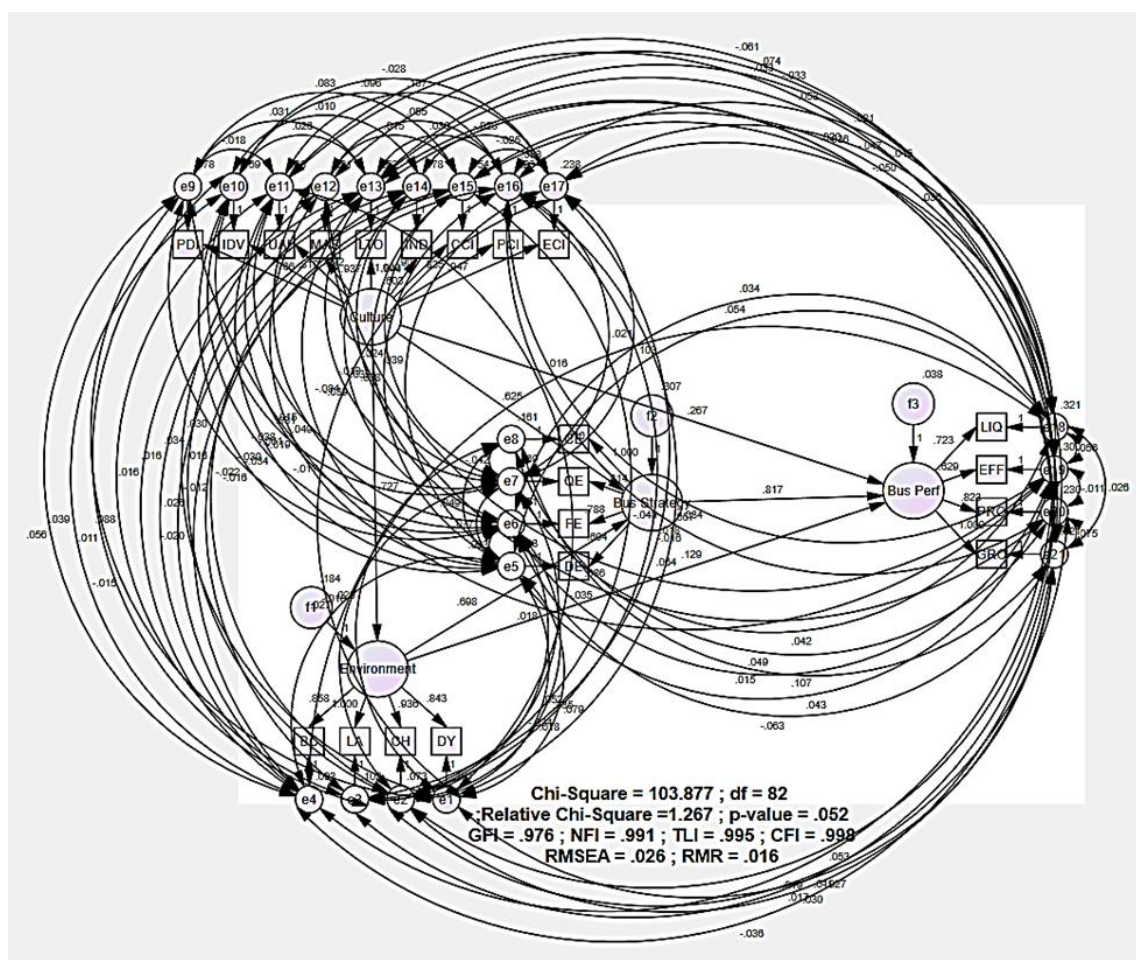
1. 您对中国和泰国之间的文化差异有什么看法?您是否认为这种文化差异是您公司业务运作的障碍?它在多大程度上阻碍了您的业务运作?
2. 您认为霍夫斯泰德文化模式的6个跨文化能力因素(权力距离、个人主义与集体主义、不确定性规避指数、男性特质与女性特质、长期取向与短期取向、自身放纵与克制)中,哪一个对您在泰国的经营影响最大?
3. 贵公司目前采取了哪些措施来缩小文化上的差异?
4. 你对文化智力有什么看法?你对这个问题了解多少?你认为拥有较高文化智力的人员或员工是否有助于解决与文化差异有关的问题?

非常感谢,问卷调查到此结束。请准备好以上问卷调查的答案,并在具体日期参加

我们在Burapha大学的焦点小组讨论。欢迎您对此主题提出宝贵意见。

您可直接发送预约到以下电子邮件地址: 59810026@go.buu.ac.th

Appendix E Amos Analytical Diagram



Appendix F Chinese Language & Culture Course Syllabus



中国语言与文化课程大纲

Chinese Language & Culture Course Syllabus

Instructor: Mr. Chidchai Muensriphum 陈宥竹

Email: chidchai.muen@gmail.com

Contact No: (+66) 8-3112-7555

Part of a Ph.D Research Program: RMCS, Burapha University

博士课程研究项目-东方大学认知科学与研究方法系学院

课程描述 Course Description

本课程旨在培养学生在听、说、读、写四种语言学习模式中的基本汉语能力。课堂教学主要以中文授课。将提供英文或泰文补编，以确保必要时提供全面的输入。学生将被要求在课堂上只说中文。中文课堂生存表达将在课程开始时和在整个课程中适当的教学时刻进行集中教学。这门中文入门课程将涵盖汉语拼音(汉语发音系统)、汉语书写系统和汉语打字。学生将通过大量的情境化和个性化的微型情境学习汉语沟通技巧。由于这是一门中文入门课程，所以课程的重点将放在培养学生学习中文的兴趣，以及介绍中国有趣的风俗和美丽的文化。

This beginners' Chinese course is designed to develop students' basic Chinese proficiency in the four modalities of language learning: listening, speaking, reading and writing. Classroom instruction is predominantly delivered in Chinese. English or Thai supplements will be provided to ensure comprehensive input when needed. Students will be asked to speak Chinese only during class. Chinese classroom survival expressions will be taught intensively at the beginning of the course and at opportune teaching moments throughout the course. This introductory Chinese course will cover Hanyu Pinyin (Chinese pronunciation system), Chinese writing system, and Chinese typing. Students will acquire Chinese communication skills through a myriad of contextualized and personalized mini-situations. Since this is an

introductory Chinese course, the ultimate emphasis will be put on cultivating students' interest in learning the language and on introducing them to the fun customs and the beauty of Chinese culture.

课程目标 Course Objective

本中文课程的课程设置符合华盛顿/国家世界语言学习标准，该标准分为五个目标领域，也称为5Cs:

The curriculum of this Chinese course is designed to align with the Washington/National standards for World Language Learning, which are categorized in five goal areas, also called 5Cs:

1. **交流:** 学生将在三种交流模式(解释、人际和表达)中发展基本的中文能力。
Communication: Students will develop basic Chinese proficiency in all three modes of Communication: interpretive, interpersonal and presentation.
2. **文化:** 学习中国文化的基本知识，使学生在交际中运用目的语的文化能力和理解能力。
Cultures: Students will learn common knowledge on Chinese culture so to interact with cultural competence and understanding in the target language.
3. **连接:** 学生将能够将中文与其他学科如数学、社会研究和科学联系起来，以便在学术和职业相关的情况下使用中文。
Connections: Student will be able to connect Chinese language with other disciplines such as Math, Social Study and Science so to use the language to function in academic and career-related situations.
4. **比较:** 学生将能够使用中文将目标语言和文化与母语进行比较。
Comparisons: Students will be able to use Chinese to make comparisons between the target language and culture with those of their native tongue.
5. **社区:** 学生可以使用中文参与多种语言社区，实现终身学习。
Communities: Students will be able to use Chinese to participate in multilingual communities and for life-long learning.

本课程旨在帮助学生实现上述5个目标，特别强调交际能力和准确性。通过本课程的学习，学生将能够与真正的普通话使用者进行简单的对话:介绍自己/朋友/家人、

谈论天气/爱好/学校生活、预约。学生还将学习简单的汉语写作、课堂生存表达和中国文化习俗的基本知识。

This course aims to help students to achieve the above 5 goals with a special emphasis on communicative competence and accuracy. Upon successful completion of this course, students will be able to communicate effectively with real Mandarin Chinese speakers in simple conversations on the following topics: introducing oneself/friends/family, talking about weather/ hobbies/school life and make appointments. Students will also learn simple Chinese writing, classroom survival expressions and fundamental knowledge on Chinese culture and customs.

课程主题 Course Topics

- Chinese Four Tones/Pinyin/Typing 汉语四音调/拼音/打字
- Chinese Writing System (Radical/Stroke Order/Calligraphy)
中文书写系统(根式/笔划顺序/书法)
- Survival Expressions 生存词表达
- Greetings/Self-Introduction 问候/自我介绍
- Dates and Time/Schedule an Appointment 日期和时间/安排约会
- Culture/Holidays 文化/假期

练习册和课堂用品 Workbook and Classroom Supplies:

- Worksheets will be provided for each class 每堂课都会提供练习册
- Students are to bring along their own materials for taking notes 学生必须自备材料作笔记

对老师的期望 Expectations of the Teacher

1. Maintains a great classroom learning environment 保持良好的课堂学习环境
2. Helps students to succeed 帮助学生对这次学习的成功
3. Speak the target language as much as possible 尽可能在课堂和生活上多说中文

4. Listens attentively to student's questions, comments, and concerns
认真倾听学生的问题、评论和关注
5. Responds to students with respect 尊重来学习的学生

对学生的期望/教室规则 Expectations of the Students/Classroom Rules

1. Show Respect to others 彼此尊重
2. Bring all necessary materials to class 携带必要的材料到课堂上
3. Be punctuate, active and engaged in class activities 认真听讲，积极参与课堂活动
4. Complete classroom assignments and homework timely 及时完成课堂作业和家庭作业
5. Make every attempt to speak Chinese only in the classroom 尽量只在教室里讲中文

详细的课程内容 Detailed Course Content

汉语四音调/拼音/打字 Pinyin – The Chinese Four Tones

拼音是基于汉字发音的罗马化。在普通话中，“拼音”字面上翻译为“拼写音”。换句话说，就是用英文字母拼出中文短语。

Pinyin is the Romanization of the Chinese characters based on their pronunciation. In Mandarin Chinese, the phrase “Pin Yin” literally translates into “spell sound.” In other words, spelling out Chinese phrases with letters from the English alphabet.

从历史上看，拼音最初是作为向西方学习者解释汉语的一种手段。直到清朝，中国人才真正开始考虑在书写系统中采用一种拼写形式。根据一些学者的说法，拼音的起源是中国人在日本看到Romaji系统和西学之后。

Historically, Pinyin started as a means of explaining Chinese to Western learners. It wasn't until the Qing Dynasty that Chinese people really started considering adopting a form of spelling in their writing system. According to some scholars, the beginnings of Pinyin were derived after the Chinese observed the Romaji system and Western learning in Japan.

在数字时代，拼音已经变得非常有用，因为它是在典型的键盘上输入汉字最流行和常见的方式。触摸屏设备可以让你抽出汉字，这通常是不可靠的(取决于你的笔迹有多糟糕)，而且会耗费更多时间。

In the digital age, Pinyin has become exceedingly useful, as it is the most popular and common way to type out Chinese characters on a typical keyboard. Touch-screen devices allow you to draw out the character, which is often unreliable (depending on how bad your handwriting is) and more time consuming.

Pinyin	Chinese Character	Meaning
mā	媽 (trad) / 妈 (simp)	mother
má	麻	hemp
mǎ	馬 / 马	horse
mà	罵 / 骂	scold

中文书写系统(根式/笔划顺序/书法) Chinese Writing System

汉字
汉字

汉字笔画名称表 Chinese Characters' Strokes

笔画	名 称	例 字	笔画	名 称	例 字
丶	点	广	一	横 钩	写
一	横	王	乚	横折 钩	月
丨	竖	巾	乚	横折弯钩	九
丿	撇	白	ㄣ	横撇弯钩	那
㇏	捺	八	ㄣ	横折折折钩	奶
㇀	提	打	ㄣ	竖折折钩	与
㇏	撇 点	巡	ㄣ	竖 弯	四
㇏	竖 提	衣	ㄣ	横折 弯	沿
㇏	横折提	论	ㄣ	横 折	口
㇏	弯 钩	承	ㄣ	竖 折	山
㇏	竖 钩	小	ㄣ	撇 折	云
㇏	竖弯钩	屯	ㄣ	横 撇	水
㇏	斜 钩	浅	ㄣ	横折折撇	建
㇏	卧 钩	心	ㄣ	竖折 撇	专

汉字(在中国被称为“汉字”,简体字“汉字”)有非常悠久的历史。它们最早的形式是在3000多年前的甲骨文上发现的, 当时已经有了一套完整的书写系统。现在的汉字是以毛笔和墨水为基础的, 可以追溯到公元四世纪。

Chinese characters (known in Chinese as 汉字 hànzi, in simplified characters 汉字) have a very long history. Their earliest known form, found on 'oracle bones' dating back over 3,000 years, was already a fully developed system of writing. The current form of the characters, based on brush and ink, dates from the fourth century AD.

在20世纪，中国广泛地简化了繁体字，以促进扫盲。中国大陆和新加坡使用这些简体字，但台湾和香港仍在使用繁体字。本页显示繁体字，但也显示简体形式。

In the 20th century, China simplified the traditional characters extensively in order to promote literacy. These simplified characters are used in Mainland China and Singapore, but the traditional characters are still used in Taiwan and Hong Kong. This page shows the traditional characters, but the simplified form is also shown.

生存词表达 Survival Expressions

English	Chinese	Pinyin
Hello	你好/您好	Nǐhǎo / nín hǎo
Greetings All	大家好	dà jiā hǎo
Good morning	早上好	Zǎo shang hǎo
Good afternoon	下午好	xià wǔ hǎo
Good evening	晚上好	Wǎn shang hǎo
What's your family name?	您贵姓	Nín guì xìng
What's your name?	你叫什么名字?	nǐ jiào shén me míng zì
My name is...	我叫.....	wǒ jiào
How are you?	你好吗	nǐ hǎo ma
I am fine.	我很好.	wǒ hěn hǎo
What about you?	你呢?	nǐ ne
Thank you	谢谢	xiè xiè
Nice to meet you	见到你很高兴	jiàn dào nǐ hěn gāo xìng
Long time no see.	好久不见	Hǎo jiǔ bù jiàn
What are you busy with?	最近忙什么?	zuì jìn máng shén me
That's all right..	不用谢	Bú yòng xiè
I am sorry	对不起	Duì bù qǐ
Never mind	没关系	Méi guān xi
Excuse me	请问/打扰	Qǐng wèn/dá rǎo

问候和自我介绍 Greetings/Self-Introduction

<https://www.youtube.com/watch?v=RC3zBRGkGRQ>

初级中文课程视频:如何在面试中用中文介绍自己和自我介绍词汇和文章-中文介绍。

Beginner Chinese Lesson Video: How to Introduce Yourself in Chinese for Job Interview & Self-Introduction Vocabulary & Essay - Introduction in Chinese.

事实和数据 Facts and Statistics

地点: 中国位于亚洲东部与阿富汗接壤76公里,不丹470公里、2185公里,缅甸印度3380公里,哈萨克斯坦1533公里,朝鲜1416公里,吉尔吉斯斯坦858公里,老挝423公里,蒙古4677公里,尼泊尔1236公里、523公里,巴基斯坦,俄罗斯(东北)3605公里,俄罗斯(西北)40公里,塔吉克斯坦和越南1281公里414公里。

Location: China is located in Eastern Asia bordering Afghanistan 76 km, Bhutan 470 km, Burma 2,185 km, India 3,380 km, Kazakhstan 1,533 km, North Korea 1,416 km, Kyrgyzstan 858 km, Laos 423 km, Mongolia 4,677 km, Nepal 1,236 km, Pakistan 523 km, Russia (northeast) 3,605 km, Russia (northwest) 40 km, Tajikistan 414 km and Vietnam 1,281 km.

首都: 北京

Capital: Beijing

国旗: 中国国旗的左上角有一颗黄色的大星星，四颗小星星相邻成半圆形。星星与象征革命期间流血的红色区域相映衬，而大的黄色星星则象征着共产党的领导人。四颗较小的星星代表中国人民。

Flag: The Chinese flag features a large yellow star in the top left-hand corner with four smaller stars adjacent in a semi-circle. The stars are against a red field which is symbolic of the blood that was spilt during the revolution and the large golden coloured star symbolises the leader of the communist party. The four smaller stars represent the peoples of China.

国歌: 《中华人民共和国国歌》叫《义勇军进行曲》，1934年由诗人田汉创作。第二年，作曲家聂耳将它谱成曲。这首歌颂在三十年代抗击日本的士兵的赞歌直到1949年才成为官方歌曲。

National anthem: The national anthem of the Peoples Republic of China is known as the 'March of the Volunteers' and was composed in 1934 by the poet – Tian Han. The following year the composer Nie Er set it to music. The anthem which honours the soldiers who fought against the Japanese during the thirties was not made the official song until 1949.

国籍: 中国

Nationality: Chinese.

民族: 汉族91.9%;壮族、维吾尔族、回族、彝族、藏族、苗族、满族、蒙古族、布依族、朝鲜族等民族8.1%。

Ethnic Make-up: Han Chinese 91.9%; Zhuang, Uygur, Hui, Yi, Tibetan, Miao, Manchu, Mongol, Buyi, Korean, and other nationalities 8.1%.

人口: 1,418,582,421 (2019 估计)。

Population: 1,418,582,421 (2019 est.).

人口增长率: 0.59%年变化(2019年)。

Population growth rate: 0.59% annual change (2019).

时区: 虽然中国幅员辽阔(面积与美国大致相当), 但只使用单一标准时间, 不遵守夏时制。官方标准时间是“北京时间”, 比UTC早8个小时。

Time Zone: Although China is a vast country, (roughly the size of the US), they use only one single standard time and do not observe daylight saving time. The official standard time is known as ‘Beijing Time’ which is eight hours ahead of UTC.

货币: 人民币

Currency: Renminbi

政府: 中央共产党

Government: Central Communist Party

互联网普及率: 38.4%的人口(2011年)-根据2017年的统计-中国有10亿互联网用户。

Internet penetration: 38.4% of the population (2011) – According to ‘statista’ 2017 - China has 1 billion internet users.

基本介绍 Basic Introduction

中国有着丰富的古文明历史, 可以追溯到3000多年前。有书面证据表明商朝的历史可以追溯到公元前1600年到公元前1046年。史前史记载了公元前221年被秦始皇控制和统一的战国时期。然后他任命自己为“皇帝”, 从而产生了清朝和帝国统治, 直到公元1912年。

China has a rich history of ancient civilisation going back more than 3,000 years. There is written evidence of the Shang Dynasty dating back to c. 1600 to 1046 BC. Pre-history chronicles tell of warring kingdoms which were brought under control and unified by Qin Shi Huang in 221 BC. He then nominated himself as ‘Emperor’, thus giving birth to the Qing dynasty and imperial rule which lasted until 1912 AD.



19世纪，在外国帝国主义多年的控制下，中国陷入了饥荒和内乱的困境。义和团运动始于1899年，结束于1901年，旨在恢复中国的传统文化、宗教和儒家伦理。中国的情况进一步恶化，因为许多人认为是由于清朝的糟糕政策和腐败造成的内部动荡。1912年，朝代灭亡，中华民国成立。

In the 19th Century China was beleaguered by famine and civil unrest after years of foreign imperialist control. The Boxer Rebellion, which began in 1899 and ended in 1901, sought to restore China to its traditional culture, religion and Confucian ethics. The situation in China was further exacerbated by internal unrest brought about by what many believed to be poor policies and corruption within the Qing dynasty. In 1912, the dynasty fell and the Republic of China was created.

第二次世界大战之后，中国处于毛泽东(Mao Tse-tung)的统治之下，这位被称为毛主席的革命共产主义者创立了中华人民共和国。作为即将到来的无产阶级文化大革命的一部分，他推行了一个专制社会，严格控制中国人民，并推出了著名的“红宝书”，上面列出了口号和方向。文化大革命是中

国历史上一个决定性的时期，它形成了一场社会政治起义，反对那些被认为是资本主义结构的一部分的人(如地主/商人)或有权力的职位，包括教师。

Following the Second World War, China came under the rule of Mao Zedong (Mao Tse-tung), a revolutionary communist known as Chairman Mao, who founded the People's Republic of China. He imposed an autocratic society forcing strict control over the people of China and introduced the famous 'Little Red Book' which listed slogans and directions as part of the coming Proletarian Cultural Revolution. The Cultural Revolution was a defining period in Chinese history and constituted a socio-political uprising against those considered to be part of capitalist structures (such as landowners / business owners) or to have positions of power, including teachers.

1976年毛主席去世后，他的继任者是中国革命家和改革家邓小平。夏鹏专注于经济发展和国际贸易，这有助于改变与西方的关系，提高生活水平。在过去几十年里，人民的生活水平有了很大的提高，虽然获得了一些自由，但对人民的政治限制仍然很严格。

Following Chairman Mao's death in 1976, he was succeeded by Chinese revolutionary and reformer Deng Xiaoping. Xiapeng focused on economic development and international trading which helped transform relations with West and improve living standards. Living standards have over the last few decades improved significantly and, whilst some freedom has been gained, political restraints of its people still remain rigid.

宗教和信仰 Religion & Beliefs:

中国的主要宗教是道教。不信奉道教的人主要信奉佛教，其次是基督教和伊斯兰教。

道教是一个古老的宗教框架，它关注的是与道和谐相处的需要，简单地说，道是一切存在的根源。与儒家思想不同，它不注重社会秩序或仪式性行为。

近2000年前，佛教由印度僧人传入中国，与道教共存至今。虽然不是严格意义上的宗教，但儒家思想在中国广为流传。它更多的是一种哲学，从公元前479年去世的孔子的教导中，树立了道德价值观和信仰的例子。儒学本质上融合了伦理社会政治教义，并以孔子认为对人类联系很重要的仪式实践为特征。

The major religion in China is Taoism (or Daoism as it is also commonly known). Those who do not follow Taoism primarily subscribe to Buddhism, followed by Christianity and Islam.

Taoism is an ancient religious framework which focuses on the need to live in harmony with the Tao which is, put simply, the source of all existence. Unlike Confucianism, it does not focus on social order or ritualistic behaviours.

Buddhism was brought to China by monks from India almost 2,000 years ago and has co-existed with Taoism ever since. Although not strictly a religion, Confucianism is widely followed in China. It is more a philosophy which sets examples of ethical values and beliefs taken from the teachings of Confucius who died in 479 BCE. Confucianism essentially incorporates ethical socio-political teachings and features a number of ritualistic practices which Confucius considered important to human bonding.

主要庆祝活动/世俗的庆祝活动 Major Celebrations/Secular Celebrations:

2020年 部分节假日安排的通知

各省、自治区、直辖市人民政府，国务院各部委、各直属机构：

经国务院批准，现将2020年元旦、春节、清明节、劳动节、端午节、国庆节和中秋节放假调休日期的具体安排通知如下。

一、元旦：2020年1月1日放假，共1天。

二、春节：1月24日至30日放假调休，共7天。1月19日（星期日）、2月1日（星期六）上班。

三、清明节：4月4日至6日放假调休，共3天。

四、劳动节：5月1日至5日放假调休，共5天。4月26日（星期日）、5月9日（星期六）上班。

五、端午节：6月25日至27日放假调休，共3天。6月28日（星期日）上班。

六、国庆节、中秋节：10月1日至8日放假调休，共8天。9月27日（星期日）、10月10日（星期六）上班。

1st January - New Year's Day – National Holiday

January 28th - Chinese New Year (dates can vary – takes place in 12th lunar month of the Chinese calendar) National Holiday

April 5th (or 15th day of the spring equinox) - Qing Ming Jie holiday – National Holiday

May 1st – Labour Day – National holiday

May 28th – Dragon boat festival – National holiday

October 1st – National Golden Week holiday – National holiday

There are numerous other holidays which are observed locally but not designated as national holidays.

家庭 The Family:

家庭关系在中国是非常重要的，非常强调等级制度。中国文化中的许多价值观是基于儒家思想，强调责任、真诚、忠诚、孝道和荣誉。



孔子是中国哲学家和政治理论家，

生于公元前550年。他的思想教导道德、正义和社会和谐，以维持一个稳定的社会，这个社会今天仍然是社会和家庭关系的基础。

儒家指导家庭和社会的基本信条是:父亲对儿子, 大孩子对小兄弟, 丈夫对妻子, 统治者对社会。

今天, 中国的家庭框架倾向于保持正式和严格的等级统治, 长者受到最大的尊敬。大家庭的大家庭住在同一个屋檐下是很正常的。

儿童成年后往往与家庭保持密切关系, 而那些被要求离家工作的人往往把定期探视家庭作为优先事项。

Family relationships in China are of paramount importance and enormous emphasis is placed upon hierarchy. Many of the values in Chinese culture are based upon Confucianism which stresses duty, sincerity, loyalty, filial piety and honour.

Confucius was a Chinese philosopher and political theorist born in 550 BC. His ideology taught morality, justice and social harmony in order to maintain a stable society which today still underpins social and familial relations.

The basic tenets of Confucian beliefs to guide family and society are, father to son, older child to young sibling, husband to wife and ruler to society.

Today the family framework in China tends to remain formal and strict in hierarchal dominance with the elders afforded the greatest reverence. It is not unusual for large communities of extended family to live together under the same roof.

Children often remain close to family in adulthood and those who are required to work away from the home area tend to make regular visits to family a priority.

社会分层 Social Stratification:

中国社会早在秦朝时期221年就出现了阶级差异, 当时阶级划分明确了。处于社会顶端的是皇帝, 他拥有至高无上的权力, 其次是他的顾问, 这些顾问凌驾于下一个阶层, 即贵族和将军。商人和艺术家形成了下一个阶级分水岭, 处于最底层的是农民和奴隶。

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1949年中国革命后，毛泽东成立了中华人民共和国，共产主义成为新的政府。从理论上讲，共产主义的建立是为了产生一个无阶级社会，消灭所谓的“统治阶级”。

然而，中国的经济和社会政治气候在过去几十年里发生了变化，在这个辽阔的国家里，这种变化不成比例地发展，随后拉大了贫富差距。

Class differences emerged in Chinese society as early as 221 during the first Qin Dynasty when class divisions were clearly defined. At the head of society was the Emperor ruler who held supreme power, followed by his advisors who held supreme over the next strata, the nobles and military generals. Merchants and Artists formed the next class divide and, at the bottom of the chain, were the peasants and slaves.

Following the Chinese revolution in 1949, when Mao Zedong formed the Peoples Republic of China, communism became the new government. In theory, the institution of communism was intended to bring about a classless society and eradicate the so called ‘ruling classes’.

However, the economic and socio-political climate in China has changed in the last few decades which has developed disproportionately across this vast country and subsequently widened the gap between rich and poor.

面子的重要性 The Importance of "Face":

面子是中国社会的一个重要概念。它大致可以翻译为“荣誉”、“好名声”或“尊重”。

“面子”有四种类型:

1) 丢面子: 指一个人的行为或行为已经



暴露在人们面前。

2) 给面子: 指以尊重的方式给人面子。

3) 留面子: 这是通过避免错误和在行动中显示智慧而发展起来的。

4) 增面子: 这是通过别人来增加面子, 也就是别人互补你成为一个伙伴。

无论何时, 你都要避免丢面子或导致别人丢面子, 这一点至关重要。因此, 在中国, 公开批评或把某人置于丢面子的境地是绝对不适当的。

'Face' is an important concept in Chinese society. It roughly translates as 'honour', 'good reputation' or 'respect'.

There are four types of 'face':

1) Diu-mian-zi: this is when one's actions or deeds have been exposed to people.

2) Gei-mian-zi: involves the giving of face to others through showing respect.

3) Liu-mian-zi: this is developed by avoiding mistakes and showing wisdom in action.

4) Zheng-mian-zi: this is when face is increased through others, i.e. someone complementing you to an associate.

It is critical you avoid losing face or causing the loss of face at all times. Public criticism therefore, or putting someone on the spot are absolute no-nos in China.

集体主义与个人主义 **Collectivism vs. Individualism:**

总的来说, 中国是一个集体社会, 无论是对他们的家庭、学校、工作小组还是国家, 都有集体的归属感。为了保持一种和谐感, 他们会在任何时候都举止得体, 不会做任何会让别人当众尴尬的事情。

个人通常愿意为了团体的利益而压制自己的感情, 这可以通过在非常有组织的会议中使用沉默来观察到。如果有人不同意另一个人说的话, 与其公

开反对，不如保持沉默。这样做会给对方面子，而大声说话则会让双方都丢面子。

In general, the Chinese are a collective society with a need for group affiliation, whether to their family, school, work group, or country. In order to maintain a sense of harmony, they will act with decorum at all times and will not do anything to cause someone else public embarrassment.

Individuals are typically willing to subjugate their own feelings for the good of the group which can often be observed by the use of silence in very structured meetings. If someone disagrees with what another person says, rather than disagree publicly, the person will remain quiet. This gives face to the other person, while speaking up would be deemed to cause both parties lose face.

性别角色 Gender Roles:



从历史上看，尽管女性在家庭中有一定的权力，但她们的地位还是从属于男性。儒家思想在压制女性方面发挥了作用，女性被视为男性的财产，先是被父亲，然后是丈夫。

缠足的传统是男人对女人的权力的另一个象征，女人实际上在早期就因为这种习俗而残废了。直到20世纪初，这种做法才被禁止。

妇女的角色在20世纪开始发生变化，特别是在中华人民共和国成立后，男女平等得到了鼓励。然而，强烈的儒家思想仍然在一些社区盛行。今天，尽管在医学、药理学、教育和科学领域，女性拥有更多的优势，并承担了传统上由男性担任的角色，但她们仍然在为获得更高的管理职位而奋斗。

The tradition of foot binding was another symbol of the power men had over women who were virtually crippled from an early stage of their lives by the practice. It was not until the early 20th Century that this practice was banned.

Today, although women have many more advantages and take up roles traditionally held by men in medicine, pharmacology, education and science, they still struggle to higher hold executive positions.

1979年推出的独生子女政策，旨在遏制人口的快速增长，但在传统上重男轻女的中国社会，这一政策带来了诸多问题。

第一个月后，婴儿和母亲都会被送到朋友和亲戚那里，他们会在所谓的“满月庆典”(也称为“红蛋和生姜派对”)上送上祝福。客人们会带着装在红包里的钱，还会收到几盘腌红姜和红鸡蛋——男孩出生时，鸡蛋的数字是不

均匀的;女孩出生时,鸡蛋的数字是偶数。红色象征着好运、健康和幸福,而鸡蛋则代表着新生命和和谐。

虽然孩子在中国很受重视,但他们必须服从和尊重长辈,在家里和学校里承担家务。

在共产主义制度下,妇女被鼓励外出工作,这是通过提供幼儿园设施来支持的。中国家庭关系亲密,祖父母在照顾孩子方面扮演重要角色是很常见的。

中国的教育是九年强制性的。至少四分之三的人口继续接受为期三年的中等教育。

The one-child policy which was introduced in 1979 to curb the rapidly growing population has created problems in a society where traditionally, the male child is favoured over females.

This has led, in the past, to girl babies being abandoned or even becoming the victim of infanticide, although it is becoming less divided now and having girls has become more acceptable.

Women are taught that they should endeavour to maintain a happy disposition throughout their pregnancy in order to have a happy child. Following confinement, since both mother and child are deemed to be in a weak state, a month's resting period is typically observed.

After the first month, both baby and mother are presented to friends and relatives who give their blessings at what is called the 'Full Moon Celebration' (also known as the 'red egg and ginger party'). The guests bring money in a red envelope and are presented with plates of pickled red ginger and red eggs - in uneven numbers when celebrating the birth of a boy and even numbers when celebrating the birth of a girl. The colour red symbolises good luck, health and happiness whilst the eggs represent new life and harmony.

Children, although highly prized in China, are required to show obedience and respect to their elders and to undertake chores in the home and at school.



Under communism, women are encouraged to take work outside the home which is supported through the provision of kindergarten facilities. Chinese families are close and it is common for grandparents to play an important role in the care of the children.

Education in China is mandatory for nine years. At least three quarters of the population go on to attend secondary education which lasts for three years.

食物 Food:

中国人以其混合的口味、香料、颜色和口味而闻名。他们的主食是米饭、豆腐和面条，这些是各种辅料的基础，如：竹笋、菜豆、荸荠、香菇、姜根、大蒜、辣椒和香菜。



人们通常吃各种肉类，最受欢迎的是猪肉和鸭肉。鱼和贝壳鱼也是一种受欢迎的食物来源。晚餐是一天中最重要的一餐，通常包括各种各样的菜肴，可能以汤开始。

在中国最受欢迎的菜式包括：春卷、北京烤鸭、脆的薄烤鸭配白菜和甜的酱汁，棒棒鸡或鸭，所谓的，因为肉是由撞击拍打过的锤子，炒面，包含炒的面条与肉、鱼和蔬菜。

The Chinese are famed for their eclectic mix of flavours, spices, colour and taste. Their staple foods are rice, tofu and noodles which form a basis to the wide variety of complimentary ingredients such as: Bamboo shoots, string beans, water chestnuts, Chinese mushrooms, ginger root, garlic, chillies and coriander.

Individuals typically eat a wide range of meats, the most popular of which are pork and duck. Fish and shell fish are also a popular source of food. Dinner is

the most important meal of the day and will typically include a variety of dishes which may start with soup.

Most popular dishes in China include: Spring Rolls, Peking Duck - thin strips of crispy, roasted duck served with shredded cabbage and a sweet sauce, Bang Bang chicken or duck, so called because the meat is tenderised by hitting it with a hammer, Chow Mein which incorporates stir fried noodles with either meat, fish or vegetables.

经济 **Economy:**

在过去几十年里，中国已成为世界上增长最快的经济体之一，也是全球最大的出口国和进口国之一。中国于2001年成为世界贸易组织(WTO)成员国。

他们与韩国、澳大利亚、新西兰、巴基斯坦和瑞士等国家签署了自由贸易协议。

据统计，中国GDP增长6.7% -(2016年)。

Over the past few decades China has emerged as one of the fastest growing economies in the world and is among the globe's group of largest exporters and importers.

China became a member of the World Trade Organisation in 2001.

They have free trade agreements with a number of other countries including: South Korea, Australia, New Zealand, Pakistan and Switzerland.

According to statistics China's GDP growth was 6.7% - (2016)

艺术、人文与大众文化 **Arts, Humanities & Popular Culture:**

中国有丰富的文化、艺术和文学遗产，可以追溯到最早的文明。受不断变化的帝国统治者、哲学和儒家思想的影响，传统信仰一直延续下来，并反映在艺术中。

中国以其陶器而闻名，尤其是描绘中国过去田园生活的青花柳条图案。中国是最早发现瓷器的国家，在16世纪的明朝时期，瓷器得到了完善，因此才有了著名而珍贵的明代花瓶。

诗歌和文学在传统文化中发挥了作用，包括公元前600年由屈原写的《诗经》，即使在今天，仍有一些影响。《红楼梦》是曹雪芹在18世纪创作的一部中国伟大的文学作品。

在共产党统治开始后，所有艺术家的作品都受到谴责，任何对党的意识形态的批评都被取缔。尽管中国是世界上进口豪华车和奢侈品最快的经济体之一，但中国对其流行文化中的批评仍很敏感，尽管这些控制措施的刚性有所减弱。

China has a rich heritage of culture, art and literature dating back to the earliest civilisations. Traditional beliefs influenced by changing imperial rulers, philosophies and Confucianism have been carried through time and are reflected in the arts.

China is known for its pottery - particularly the blue and white willow pattern which depict pastoral, rustic scenes of everyday life in China's past. China was the first to discover porcelain which was perfected in the 1500s during the Ming dynasty – hence the famed and valuable Ming vase.

Following the inception of communist rule all artists work has been censured and any criticism of the party ideology outlawed. Despite being one of the world's fastest moving economies importing luxury cars and goods, China remains sensitive to criticism within its popular culture albeit there has been some decrease in the rigidity of those controls.

Revised By Mr. Chidchai Muensriphum

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