

Entry-mode and Competitive Strategy: A Case Study in China's Skincare Industry

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Abstract

After 1978, the new policy, Reform and Opening, began in China, not only domestic daily chemical enterprises but also overseas cosmetics groups have flourishing from the coastal cities to inland cities. During almost four decades of competitions and development in China's skin care market, they compete for several items, such as quality, effectiveness, price, and technology, etc. In the huge skin care market in China, only the most profitable brands could survive and maintain or even extend their market share in this environment, and form the current situation in China's skin care market what we see today. This research is focusing on how overseas cosmetics groups enter China's skin care market, and how did they compete in the market.

The author picked five multinational name counter brands: LANCÔME, Estee Lauder, SHISEIDO, Aupres and LANEIGE according to their high ranking of the market share. And through the case study, the author found out the entry-mode of these cosmetics groups to enter the overseas market, and the competitive strategies that different brands utilize in different products and situations.

This study would find out two things. The first one is that these five brands not only applied single entry-mode strategy, but developed the strategy through the maturity of the company; and the second one is how these five brands interacted with other rivals by applying different competitive strategies through decades.

Key words: China, Entry-mode Strategy, Competitive Strategy.