

Late entrant advantage: An Australian café franchise tackles China

Abstract

This research examines the timing of entrance into the China market by an Australian food retail franchise. Previous literature espouses the relative benefits of either early (innovator) or late (imitator) entrance into emerging markets but the findings are mixed. In the current study, qualitative research utilising a single case study is employed in two phases. In the first phase key personnel in the franchise are interviewed to reveal their motivations and strategy for expanding into China. The second phase utilises consumer focus groups to gain an understanding of the customer perspective. The findings are compared with Zhou's (2006) study of innovators and imitators in the manufacturing industry in China. We conclude that there are hidden benefits to delaying the timing of entry in order to learn from others experiences in food retail franchising.

Key words: food-based, retail, innovation, adaptation, imitation, emerging market