

# INTERNATIONALIZATION OF CHINESE GARMENT ENTERPRISES: A CASE STUDY BASED ON ANTA CLOTHING

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## Abstract

With China's accession to the WTO, more and more world-renowned sports products have flooded into the Chinese market, and fierce competition has been launched with domestic sports goods brands. Due to the lack of significant brands in China's domestic sporting goods, and many problems in their own products, many old-fashioned sporting goods companies have been eliminated in the increasingly fierce market competition. Therefore, it is urgent for Chinese sporting goods companies to build a strong and orderly sportswear Brand system in order to cope with the impact of international famous sports brands entering the country, and enter the international market, make it full of international competitiveness, and enhance the strength of domestic brands to compete with international giants.

With the rapid development of China's sports industry and the promotion of the Beijing Olympic Games, coupled with the country's encouragement of national sports and fitness boom, the development of domestic brands such as Li Ning, Peak, and Anta in China has intensified. The development of these sports goods industries is facing unprecedented opportunities and challenges, huge space for development in the future, increasingly showing excellent development potential.

Based on this consideration, the researcher provides a theoretical reference for other domestic sporting goods brands to enhance their international competitiveness through the research on the development history and internationalization of Anta Clothing. There is a set of strategies to deal with the competition problem.

**Keywords:** Porter's Theory, International Competition, Business Influence, Enterprise Reform

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## Introduction

### 1. Background and significance of topic selection

#### 1.1 Background

Following China's accession to the WTO, the world's major sporting goods companies, such as Nike and Adidas, opened the door to the Chinese market, having a significant impact on the sporting goods brands that are still developing in China. When compared to international sports brands, China's established sporting goods enterprises are slightly weaker. As a result, it is critical for Chinese sporting goods enterprises to establish a solid sports brand system in order to deal with the impact of internationally famous sports brands entering China, as well as to enter the international market in order to give them international competitiveness and strengthen competition between domestic brands and international giants. President XI's appeal and policy of encouraging national fitness has accelerated the development of domestic brands such as Li Ning, Peak, and Anta in China, which is also a major challenge for the development of sporting goods enterprises in China.

#### 1.2 Significance of topic selection

We can provide a set of theoretical references for other domestic sporting goods brands to improve their international competitiveness through research on Anta's development and internationalization, and then provide a set of coping strategies for domestic sporting goods enterprises when faced with international competition.

### 2. Research value

The competition in the sportswear market is fierce, and brand appeal is high. Consumers are no longer simply comparing products in the face of increasingly convergent sportswear products, and the difference in brands can determine consumers' purchasing tendency, particularly for sportswear, a consumer product. However, there are very few sportswear brands in China in the international market due to a lack of brand awareness and international experience among domestic sportswear enterprises. As a result, the research value of this paper is to provide a realistic foundation for Chinese sportswear brands to accelerate their internationalization process by analyzing the industry's current situation and future development trend. It can provide a reference for the internationalization strategy formulation of domestic sportswear brands by analyzing the international development experience of well-known brands in the industry.

### 3. Research contents and methods

#### 3.1 Research contents

1) Background analysis, which is a general description of the domestic sporting goods industry's development.

2) Changes in the management processes of Chinese sports enterprises, as well as potential issues caused by the influence of well-known brands in the foreign sportswear industry.

3) Solutions or coping strategies The third section of this paper is research-oriented, and it provides reference for solutions that ultimately serve the development of domestic sports enterprises through an in-depth analysis of its operation status.

#### 3.2 Research method

1) Data analysis: Using Anta, a Chinese sporting goods enterprise, for in-depth research, this paper analyzes the operating changes of Anta, a Chinese sporting goods enterprise, against the backdrop of the impact of foreign big-name sporting goods on China, and makes pertinent recommendations.

2) Theoretical research: This paper conducts a comprehensive analysis of domestic and foreign literature on brand promotion competitiveness based on Porter's theory. Focus on consulting and understanding the details of Anta's operation and management, ensuring that this paper contains accurate and true information. And put forward their own points of reference.

3) Case study: Analyze the impact of measures taken by Chinese sporting goods enterprises to improve their international competitiveness, as well as Anta's disadvantages and deficiencies in the fierce brand market competition, to lay a good foundation for how to improve the marketing level and effect of Chinese sporting goods enterprises in the next step.

## Review of related theories and literatures

### 1. Overview of Porter's Theory

Michael Porter studied hundreds of industries in dozens of countries and eventually developed a diamond model. Although the author does not define competitiveness in the book, we can deduce from the author's explanation of the diamond model that industrial competitiveness should include the following factors: comprehensive capabilities such as industry supply capability, sustainable profitability, market share, and production factors. Natural resources, infrastructure, human resources, scientific and technological resources, and so on are examples of factors of production. These factors and conditions have a significant impact on an industry's competitiveness. Different industries, however, have different conditions. As a result, every opportunity will have both positive and negative consequences for the industry. As a result, related enterprises should assess and seize every opportunity to propel related industries forward.

### 2. Literature review

Based on Porter's theory, academics both at home and abroad examine how to improve the international competitiveness of sporting goods brands. The analysis and research of domestic and international scholars focuses on three main areas: brand creation, clear brand positioning, and brand marketing strategy

#### 2.1 International establishment of brand

Michael E. Porter proposed in 1980 that competitive strategy refers to long-term behavior in which enterprises take offense or defense in competition of the same use value. Porter offers three effective competitive strategies for business owners: total cost leadership, differentiation, and specialization. Strategy management is a discipline that studies how organizations can succeed in a conflict environment, and its primary feature is exploratory. According to Porter's strategic thinking, the first step in developing a good strategy is to establish a clear goal. The second step is to examine the industry in which the company operates, how to benefit from it, and how to cultivate a competitive advantage in the industry, i.e., to develop differentiation strategies. The value chain-various value functions are the source of competition. And developing a strong brand is the first step toward gaining a competitive advantage.

An American scholar named Reeves (1950) proposed USP theory, which states that consumers must be told about a "unique selling proposition." Its distinguishing feature is that the product's selling point must be communicated to the public, and this selling point must be unique and capable of generating sales. According to USP theory, one aspect of a unique sales proposition is that "competitors can't make this unique feature"—this proposition must be something that competitors can't make, and it must be unique. As a result, an indirect explanation for the problem of brand creation is provided.

Lin Shuting and Shen Keyin (2022) believe that due to the introduction and rise of Nike sneakers in the 1980s, many workshop-style shoe factories in Jinjiang, Fujian Province became shoe foundries. However, Anta realized that it would only have a bright future if it established its own brand, so it established Anta brand. However, it was under intense pressure due to the impact of Nike brand giants and other brands. Mr. Ding Shizhong, who came to Beijing alone to study and earn a living, also died.

#### 2.2 Clear brand internationalization positioning

Ries Trout (1970) stated that in the decision-making process of consumers,

brands must provide as many brand promises as possible, such as return and door-to-door, etc. These brand promises are the reasons for consumers to try them out. According to Douglas and Wind (1987), a perfect brand structure is a process and result of the establishment of a strategic basic principle. This fundamental principle coordinates brand portfolio management decisions across multiple geographies and divides brand structure into three modes: enterprise-led, product-led, and mixed. It is believed that the brand structure is heavily influenced by the company's history and product line.

Liu Jing (2020) applies path dependency theory to explain why China's brands lag behind international brands in terms of business outcomes. Through a comparative study of several brand cases at home and abroad, it is proposed that in order to build an international brand and capitalize on China's economic development advantages, it is necessary to shift from empiricism to methodology.

### **2.3 International marketing strategy of brand**

According to Aaker (1998), brand identification theory is a supplement to integrated marketing's brand creation theory. The strategic analysis of brands is the most important, according to its brand identification model. Strategic analysis is conducted from three perspectives: customer analysis, competitor analysis, and self-analysis. According to Kotler (2000), brand is the most important link in marketing, and brand marketing determines the success of businesses.

According to Duan Yanling et al. (2020), if a company wants its brand to stand out in a competitive market, it should emphasize the uniqueness and rationality of product brand positioning

### **3. comment and describe**

To summarize, domestic scholars only recently began to study brand internationalization, focusing on how to improve the degree of brand internationalization in China from both theoretical and strategic perspectives. In theory, Li Dalei and Song Yonggao (2006) expressed a viewpoint by discussing the close relationship between brand integration and brand internationalization, stating that brand integration is a necessary step in shaping international brands, and brand internationalization promotes the effective implementation of brand integration strategy.

This paper analyzes the development status of the sports market at home and abroad, the internationalization status of sports apparel brands in the industry, summarizes the industry's development environment in general, analyzes the internationalization road of Anta sports brands, deeply explores the successful experience and existing problems of Anta sports apparel brand internationalization, and summarizes the experiences that well-known sports apparel brands can learn from.

## **A Case Study of Anta Company's Internationalization**

### **1. Overview of Anta Clothing Company**

Anta (Anta (China) Co., Ltd.) began operations in 1991. For more than 30 years, the company has adhered to the business philosophy of "peace of mind and down-to-earth," and it has been successfully listed in Hong Kong. In January 2004, the company began using the most recent production line to completely replace Anta's manual management by computer, which significantly improved production efficiency and smoothed Anta's product development and manufacturing process.

Due to the introduction and rise of Nike sneakers in the 1980s, many workshop-style shoe factories in Jinjiang, Fujian Province, were converted into shoe foundries. However, Anta realized that it needed to establish its own brand, so it established the Anta brand. However, it was under intense pressure due to the impact of Nike brand giants and other brands. Mr. Ding Shizhong came to Beijing on his own to learn how to earn a living. Anta was later formed as a result of agency operations and gradual development.

Anta hired Kong Linghui as its spokesperson in the 1990s and took the lead in carrying out sports star and CCTV marketing activities in China. Then Anta moved from the 18-line city to the second and third lines, gradually encircling the city from the countryside, so that more and more people could know and understand Anta. Simultaneously, Anta signed the CBA in 2004 and the China Olympic Committee in 2009, establishing the brand as a means of increasing sales.

Consumer demand is becoming increasingly diverse as people's material and cultural living standards improve. Anta will have physical stores throughout the country, including county towns. Enterprises should take full advantage of this advantage to conduct market research and input more appropriate products based on different consumers, cultural differences, and local economic levels, in order to continuously absorb more consumer groups and increase brand stickiness and income.

As people become more intelligent about everything, developing the country through science and technology becomes more and more convenient for everyone's life. In terms of people's everyday clothes, it is also the pursuit of a sense of science and technology that brings more convenience and comfort to people, continuously strengthens investment in science and technology, and maintains the innovative technological advantages of other competitive brands.

Each enterprise's future direction is influenced by national and international economic policies. Only by fully understanding each country's policies will businesses be able to make better use of favorable resources and avoid policies that are detrimental to their development.

## **2. International development course of Anta clothing company**

### **2.1 First stage.**

Internationalization preparation stage Anta completed the accumulation of original capital in the 1990s by producing sports shoes for multinational OEMs. Anta's products are located in the low-end market, which determines the low-end products, i.e. the low-end market. Anta is also an agent for the head brand, which has laid a solid foundation for future brand internationalization by imitating its advanced technology and management concept in order to provide consumers with value-for-money products and form a competitive advantage.

### **2.2 Second stage**

Internationalization is in its early stages. In the same year, Anta became the first brand in the domestic sports shoe market, and internationalization became a part of Anta's strategic planning. Anta also made some common mistakes during the internationalization process. Anta realized after the failure that "steady development" was more important than "rapid development." As a result, Anta established the basic principle of its internationalization strategy as early as 2001: "taking root in China, laying out the Asia-Pacific region, and looking to the world."

### **2.3 Phase III**

The internationalization stage. Anta completed its overseas promotion strategy in 2004, expanding its business to Singapore, Greece, Hungary, the Czech Republic, Ukraine, and other countries. To enter the international market, Anta used a multi-brand strategy, acquiring FILA, Kolon, Sprandi, Descente, and Kingkow, thus covering all types of sports goods market segments. Despite the fact that Anta's M&A brands are widely distributed in the international market, the number of Anta brands entering international markets is limited.

### **2.4 The fourth stage**

Create an official plan for expanding into international markets. The year 2018 marked the official beginning of Anta's internationalization strategy. As a result of Anta's participation in Fashion Week, he was able to garner attention on a global scale and successfully penetrate the markets of developed countries in both Europe and the United States. Additionally, Anta's differentiated strategy is reflected in the company's products,

services, and brand image across all of these categories. In terms of products, Anta is committed to improving product quality, hiring excellent designers, adhering to a low-price strategy, strengthening the after-sales service of online shopping, and increasing consumer satisfaction. In terms of image, Anta is committed to developing a brand image of "starting a business with peace of mind and being a down-to-earth person." In other words, Anta is committed to improving product quality, hiring excellent designers, adhering to a low-price strategy. After that, Anta collaborated with other international brands like Amer Sports, Kingkow, and Spandex to establish a multi-brand operation group. During the development of Anta, the company worked closely with a number of renowned sporting events in a variety of capacities. In 2017, Anta took another step toward expanding its presence on an international scale by signing on as an official partner of the Beijing 2022 Winter Olympics and Paralympics.

### **3. Anta Clothing's Successful Internationalization Strategy**

#### **3.1 Management internationalization**

When it comes to developing marketing strategies, Quelch(2021) believes that different local conditions should be taken into consideration; therefore, the question of whether or not to standardize is a matter of degree. The ability of international brands to satisfy both domestic and international demand in an appropriate manner will ultimately determine how successful those brands are. The internationalization of resources is the single most important facet of the internationalization process. This facet encompasses a wide range of elements, including raw materials and suppliers, among other things. The globalization of resources is a significant representation of the presence of multinational corporations all over the world. An estimated nearly 100 million pairs of athletic shoes are sold all over the world each and every year by the international sports brand Adidas.

#### **3.2 Logistics internationalization**

Anta enterprises have repositioned themselves in terms of supply chain management in order to deal with market changes and new brand positioning. Anta is an outsourcing company that not only does not have its own factory, but also outsources all international logistics. Seasonality is the most prominent feature of sporting goods products. Only an efficient logistics system can help its businesses maintain their international competitiveness.

#### **3.3 Product internationalization**

In order to gain a foothold in the international market, it is necessary to conduct an appropriate analysis of the market survival environment, clearly position the brand itself, highlight the brand personality, enrich the brand connotation, and clearly communicate the brand concept to consumers. Only then will it be possible to gain a foothold in the international market.

#### **3.4 Marketing channel internationalization**

The network environment has caused traditional marketing strategies to undergo significant change. As a consequence of this, the technical foundation of network integrated marketing has gradually developed into consumer all-4P technology, and pricing is a pricing system that is accepted by consumers, which helps bridge the gap between consumers. During the era of traditional media, information was only passively received by consumers because it was only sent in one direction, from the top down. Information dissemination is becoming more diverse and interactive in this age of new internet media, especially with the recent explosive growth of Weibo, Tik Tok, IM, SNS, and other forms of media. This is especially true in light of the fact that the internet is becoming increasingly saturated with new forms of media. It has been challenging to adapt traditional marketing theory to the modern era because everyone is a media outlet.

#### **3.5 Brand internationalization**

Rui Wang et al. (2022) discussed the close relationship between brand integration and brand internationalization. Brand integration is a necessary step in shaping international brands, and brand internationalization promotes the effective implementation of brand



integration strategies. In recent years, with the strong rise of "national trend," China brand, Chinese culture, and the trend of the new era culture have organically integrated, creating a unique style, which has resulted in a consumption boom for all kinds of cultural and creative products, among which Anta has also emerged as a domestic brand.

### 3.6 Publicity internationalization

It is taken for granted in today's society that the level of product quality and service provided is of the highest possible standard. Another way to get products onto the market more quickly is to employ well-known celebrities from both the United States and other countries as spokespeople. Utilizing the influence of celebrities can help promote products so that they are successful in the market.

### 3.7 Talent internationalization

Talent should be considered the core of any successful business operation. The concept that employees should be viewed as the company's internal market is the end goal of the marketing strategy known as internal marketing. Before a company can begin to cater to the requirements of its external customers, it must first satisfy the requirements of its internal workforce. This strategy not only offers superior quality of service and increased productivity to the company's external clients, but it also contributes to the expansion of the business. As a consequence of this, talent is the most essential resource for the expansion of the company.

## 4. Problems existing in stepping on the road of internationalization

### 4.1 Insufficient competitiveness of products

To begin, there is a dearth of products that are considered to be flagships. Both Nike and Adidas, the two largest companies in the world that produce sporting goods, now have their very own signature lines of equipment for a wide range of sports.

Second, there is a cap on the amount of innovation that can come from an individual's own efforts. One of the most essential requirements for a company's sustained growth is the capacity for self-directed innovation, which ranks among the list of most important factors. The low level of independent innovation capability possessed by Chinese sporting goods enterprises has developed into a significant barrier to the advancement of Chinese sporting goods enterprises' ability to compete successfully on an international level.

### 4.2 Lack of long-term planning

Brand planning, as a strategic approach for businesses, is an essential component of the long-term healthy development of businesses. Brand planning should be prioritized in an enterprise's business strategy.

### 4.3 Lack of brand marketing strategy

Since the consumers are the most important factor in a market, the only way to be unbeatable in the competitive landscape is to give up on the idea of selling products and elevating oneself to the same level as the customers. This is how the 4C marketing theory with consumer thinking at its core came into existence. In the late 1980s, a well-known marketing theory expert named Professor Robert Lauterpen put forth the idea that would later become known as Theory 4C. The focus of 4C theory has shifted away from the products themselves and more toward the customers. Consumer needs are used to systematically establish four core psychological foundations, which together form a combination of market and marketing objectives. These foundations are consumer customers, cost, convenience, and communication, with an emphasis on communication going in both directions between products and end consumers.

## Conclusions and Suggestions

This article analyzes Anta's path to international success by comparing it to the evolution of other successful sporting goods brands, both domestically and internationally. Anta is the first Chinese sports brand to be recognized on a global scale and is the most well-known of China's many national brands of sporting goods. On the road to globalization, there is a good chance that you will experience both success and failure. Anta's successes in international competition in terms of resources, technology, and market occupation need to be evaluated and improved, as do the company's shortcomings in brand marketing and brand positioning. In terms of their ability to compete on an international level, China's sports brands continue to fall behind those of Nike, Adidas, and other major international brands. This, on the other hand, is the engine that propels our sporting goods business in China. We should have complete faith in Anta and believe that through its own efforts and development, it will without a doubt propel itself into the ranks of world-class sports brands, thereby bringing China's national sports culture to the entirety of the world.

The following is a list of potential ideas: 1. Raise the level of international competitiveness of the enterprise through the products it offers. 2. Foster the internationalization of the brand through the use of trademarks. 3. Widen the channels available for the investigation of international markets.

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