

The Mode of Entry Strategies for Thai Multinational Enterprises in Investing Hotel Business in Yangon, Myanmar

รูปแบบกลยุทธ์การเข้าไปลงทุนธุรกิจโรงแรมสำหรับบริษัทข้ามชาติของไทยในเมืองย่างกุ้ง ประเทศเมียนมา

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Abstract

The research in the title “The mode of entry strategies for Thai multinational enterprises to investing hotel business in Yangon, Myanmar” utilized the qualitative approach by the triangulation validity to strengthen as an internal validity and reliability of data collection and analysis. By the way of using literature review as documentary research to construct the new paradigm of international business measurement, the direct observation by direct survey at Yangon, Myanmar of researcher, and in-depth interview through a semi-structured interview with the 15 key informants related to investment in the hotel industry in Yangon, Myanmar. The data collected was interpreted and analyzed by thematic analysis to report the findings. The results found that Internal-Macro, Internal-Micro, External-Macro, External-Micro factors both have a relationship with decision-making and entry mode strategy, also, the decision-making to invest in Myanmar factors have a relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar. The suitable entry mode strategy to invest in the hotel industry in Yangon, Myanmar is the Greenfield and Joint venture that can possibly succeed in the future.

Keywords : mode of entry strategies, MNEs, investment, hotel business, Yangon, Myanmar

บทคัดย่อ

การวิจัยในหัวข้อ “รูปแบบกลยุทธ์การเข้าไปลงทุนธุรกิจโรงแรมสำหรับบริษัทข้ามชาติของไทยในเมืองย่างกุ้ง ประเทศเมียนมา” โดยวิธีการวิจัยเชิงคุณภาพและวิธีการตรวจสอบสามเส้าเพื่อความถูกต้องภายในและความน่าเชื่อถือของการรวบรวมข้อมูลและการวิเคราะห์ การทบทวนวรรณกรรมเพื่อการวิจัยเอกสารเพื่อสร้างกระบวนทัศน์ใหม่ของการจัดการธุรกิจระหว่างประเทศและใช้การสังเกตโดยตรง โดยการสำรวจที่เมืองย่างกุ้ง ประเทศเมียนมา รวมถึงการสัมภาษณ์เชิงลึกโดยการสัมภาษณ์แบบกึ่งโครงสร้างกับผู้ให้ข้อมูลสำคัญ 15 ท่าน ในอุตสาหกรรมโรงแรมในเมืองย่างกุ้ง ประเทศเมียนมา ข้อมูลที่รวบรวมการตีความและการวิเคราะห์โดยการวิเคราะห์เฉพาะเรื่องเพื่อรายงานผล ผลการวิจัยพบว่า ปัจจัยภายในระดับมหภาค ปัจจัยภายในระดับจุลภาค ปัจจัยภายนอกระดับมหภาค ปัจจัยภายนอกระดับจุลภาค มีทั้งความสัมพันธ์กับการตัดสินใจและกลยุทธ์การเข้าสู่รูปแบบการตัดสินใจลงทุนในปัจจัยในเมียนมา มีความสัมพันธ์กับกลยุทธ์การเข้าสู่ธุรกิจโรงแรมที่ในเมืองย่างกุ้ง เมียนมา กลยุทธ์การเข้าสู่รูปแบบที่เหมาะสมสำหรับการลงทุนในอุตสาหกรรมโรงแรมในเมืองย่างกุ้ง ประเทศเมียนมาคือ การลงทุนใหม่ทั้งหมดและกิจการร่วมค้าที่อาจประสบความสำเร็จในอนาคต

คำสำคัญ : รูปแบบกลยุทธ์การเข้าไปลงทุน บริษัทข้ามชาติ การลงทุน ธุรกิจโรงแรม เมืองย่างกุ้ง เมียนมา

Introduction

The Association of Southeast Asian Nations (ASEAN) is a political and economic organization of ten Southeast Asian countries that was established on August 8, its objectives are to accelerate economic growth, social progress, and sociocultural evolution among the members and protection of the regional stability to be well. Thailand and Myanmar are the neighboring countries that have had a mutual history for a long time (Magasházi, 2015; Kim et al., 2016).

Thailand obtained a benefit on affiliate it by increasing trade and investment opportunities for the products and services, by the way, reducing of investment barrier to attracting foreign direct investment (FDI). Besides, Thai investors will be able to invest by selecting the strengths of the Thailand industry to take competitive advantage of international business by Thai outward foreign direct investment (TFDI) by Thailand multinational enterprises (Subhanij & Annonjarn, 2016).

The Republic of the Union of Myanmar (Myanmar) is the state that the military dictatorship ended in 2015, the new liberalized election brought the change in trade and investment from global countries also neighboring countries such as Thailand (Farrelly & Win, 2016). Myanmar's economy grew at 8.5% in 2014/15 from the reforms which highest GDP growth rate throughout Southeast Asia nations; it supported consumer and investor confidence in the business environment. Myanmar will be playing the key role to link between South Asia and Southeast Asia in the future (Myanmar Investment Commission, 2014).

The Myanmar reforms are including, the Myanmar kyat has the floating value, Foreign Investment Law enacted, The Special Economic Zones Law provides to facilitate growth, politics, economic, health, education, corporate governance, telecommunications, and infrastructure more efficiently, while tax reforms have substantially reduced profit taxes. These are incentives for foreign investors looking to enter Myanmar's market (MIC, 2014; Roland-Holst & Park, 2015).

Yangon, Myanmar has been watched by investors around the world and seeking new sources of products and services, This city is the most powerful in Myanmar and will be the orientation of infrastructure that will be beneficial for Myanmar, Thailand, and AEC as well (Sadoi & Aung, 2016). However, Yangon is the location where shortage the hotels meanwhile the tourist trend increase trend, they have to increase the number of hotels to meet the needs of tourists in future growth.

International quality of hotel supply in Yangon has currently about 15,424 hotel rooms, but only 1,500–2,500 are at an international standard of hotel room supply. International tourist arrivals in Yangon have proliferated since 2011 there are 364,743 people increased to 180,682 people in 2015; it is increased by 323.70 percent, the evidence found that the hotel industry in Myanmar has the highest margin profit ratio of all sectors by average at 30 percent of revenue. It caused Myanmar to be the fastest-growing hotel markets in the world (Ministry of Hotels and Tourism, 2016).

These are the opportunity for enterprises in Thailand's hotel industry that expand the market into Myanmar (Buijtendijk & Tschunkert, 2016, Hudson, 2016; Tip & Supinit, 2016). Thailand's hotel industry regarded as the potential industry and made enormous revenue also an important industry in driving the economy of Thailand (Ivanov & Ivanova, 2016).

The investment in Myanmar has many options and strategies for the Myanmar hotel industry. The firms should consider both internal factors and external factors and micro and macro-environmental factors of the firms. When circumstances change, businesses must adjust their methods. The firms must consider a firm's resources and risks and restrictions carefully before decision entry to the Myanmar business. It is the most difficult and risky decision. A wrong entry decision could have disastrous implications for the organization (Chirathivat & Cheewatrakoolpong, 2015; Ravelomanana et al., 2015).

However, investors that require to invest in Myanmar as a host country, must cope with the problem such as a lack of in-depth information, investment process, legal, regulatory, practices, potential location, and cooperation with government agencies and business people in the host country. It affects the selection of the entry mode decision to foreign direct investment in Myanmar (Thornton, 2015)

Therefore, the researcher has realized the significance of the research objective of “The mode of entry strategies for Thailand MNEs to investing hotel industry in Yangon, Myanmar” It is preparing to seek the variables that MNEs use to consider before the decision-making to investing hotel industry in Yangon, Myanmar, especially, the situations have been affected by global competition in globalization. MNEs will have to adapt and develop the potential to cope with change as well as create opportunities for international business competitiveness to survive in the Myanmar market. (Sangnak et al., 2015, 2016a, 2016b, 2017, 2018)

Propose

To study “The mode of entry strategies for Thai multinational enterprises to investing hotel business in Yangon, Myanmar”.

Benefits of Research

1. This study has a benefit for the public sector of government, to help them to determine policy by promoting TMNEs to invest in Yangon, Myanmar efficiently.
2. This study creates the new paradigm and theory of the mode of entry strategies of foreign direct investment (FDI) research to use in another emerging markets entry.

Literature Review

This article has the scope of the literature review in the context of the mode of entry strategies for Thailand multinational enterprises to invest in the hotel industry in Yangon, Myanmar, and literature review is presented below.

Thailand Outward Foreign Direct Investments (TFDI) Policy

The 12th National Economic and Social Development Plan (2017–2021), which Thailand will remain experiencing the environmental and context changing that could pose a risk both from internal and external and both at macro and micro levels of the country, including economic, social, natural and environmental resources such as productivity, competitiveness, education quality, social disparity, etc. The Thai government has encouraged Thai entrepreneurs to invest in foreign countries such as the hotel industry (The Prime Minister’s Office, 2016).

Business Environment in Myanmar

Myanmar is a difficult country which to start a business making great progress regarding a “good business environment, it improved over the last five years. The refining legal and regulatory frameworks are the progress encouraging foreign direct investment, including strengthening corporate governance, reducing regulatory hurdles, and corruption and

improving the rule of law. Myanmar has taken steps to enhance investor protection and implementing a new foreign investment law to establish foreign ownership limits and land leasing rules.

Yangon Township : the Investment Opportunity in Myanmar

Yangon, Myanmar is the former capital of Myanmar and the largest city with a population of over six million. It is the most important commercial city, (Roberts, 2015) that has approximately 5.5 million people and covers 1,535sq km. The Shwedagon Pagoda is the most famous site of the holy pilgrimage and the landmark of Yangon city, an international port, a center of trade, commerce, 8.93 trillion-kyat, amount 23 percent of the national GDP, and located of Thilawa special economic zone and at industrial zones (Roberts, 2015). There has been tremendous growth in visitor arrival. The hotel industry is significant growth in demand from tourists. Tourists are coming for various reasons such as traveling and investment purposes. This is the opportunity for the global investors to exploit in Yangon city (Piansoongnern & Lwin, 2015).

The Co-evolutionary Theory of the Multinational Firms

The co-evolutionary theory is a process of the macro and micro level which is the level of the environment of the host country, the macro is the environment of national level, and the micro-level is the management's responsibility of the pattern of MNEs' organization, that process encompasses it with the internal and external environment of the MNEs organization. The MNEs' coevolution leads to create the knowledge transfer to produce mixed effects on knowledge transfer of internal-macro, internal-micro, external-macro, and external-micro factors to measure the Myanmar business environment as a complex country (Madhok & Liu, 2006).

The Paradigm of Business

Paradigm comes from Greek **παράδειγμα** (paradeigma) means a pattern, example, and sample, within the business context; it is leading to significant changes in how businesses function and what is valued of the firms. These business changes, interrelated with social changes concerns, and are increasingly important in decision making. The new paradigm of business is significant to the transformations described by the aggregate systemic changes that are the result of interactive qualitative and quantitative changes. Business leaders will use a new paradigm approaches for the forces driving vary on two continua: goals (profit/moral) and mindset (business global), the goals represent the motivation to use new paradigm approaches to increase profitability and believed to be morally correct of the mindset of the firm leader's vision (Giacalone & Eylon, 2000).

Internal–Macro Level Paradigm : OLIF Framework

Internal–Micro level of International business environment are utilizing the OLIF framework to measure the internal resource of MNEs in the macro level in the host country. It is the merging theories of international business in two procedures. The OLI factors are three sections of advantages including: Internal–Micro which are including – **“Ownership Advantages”** (O) is reveals establishing and operating abroad production technique, government support by the home and host country, **“Location Advantages”** (L) is the alternative countries for engaging the value–adding operation of MNEs that immobile resources, to create competitively advantages, **“Internationalization”** (I) is utilizing internal sourcing to deliver products and services to customers (Dunning, 2001; Doh, 2005). It is merging with the **“Financial statement”** (F) framework, is the important instrument to the firm’s investment of Chief Executive officers (CEO), as financial ratio analysts to an investment decision (Cleary, 2006). These are conditions of international activities of a firm that has the availability of advantages of the host country as emerging markets; the OLIF Framework has been used for explaining, why Multinational Enterprises (MNEs) want to invest overseas?

Internal–Micro Level Paradigm : VRIO Framework

Internal–Micro level of International business environment is utilizing VRIO framework to measure the internal resource of MNEs at the micro–level in the host country. It is the four types of organizational resources on a firm’s competitiveness capabilities and performance of the organization including – the factors of **“Valuable”** (V) Value is the resources that create value for the firm by enabling the firm to realize opportunities and threats, **“Rareness”** (R) is challenging find administration system in the host country, **“Inimitability”** (I) is the firm and difficult to imitate, it leads a firm to a strategic advantage such as managerial practice, and **“Organization”** (O) interrelate on strategic and non–strategic resources such as exploiting organizational processes to produce and services (Barney, 2001).

External–Macro Level Paradigm : PESTEL Framework

External–Macro factors of International business environment utilized; PESTEL analysis to understand and evaluate various parameters before entering into any country, external and macro level to determine the direction and purpose of the International business operations (Aguilar, 1967).

External–Macro factors are including – **“Political”** (P) factors that affect the economic structures, government institutions, policy, social characteristics; regulations, and legal that the organization must be following, **“Economic”** (E) factors are concerned with the economic freedom factor of the host country that attractiveness concerning FDI, **“Social”** (S) factors have affected foreign firm investment decisions on multinational firm attraction,

“**Technology**” (T) factors affect MNEs to seeking of FDI into localized technological sources to increase their firm competencies, “**Environmental**” (E) factors in the host country affect FDI on domestic environmental policies, “**Legal**” (L) factors are the quality of government regulation that affects the FDI flows from the impact of changes effectiveness and enforcement of investment regulations (Aguilar, 1967).

External–Micro Level Paradigm : Five forces Framework

External–Micro level of International business environment utilized; Five Forces framework (Porter, 1981, 1985, 1991; Peng, 2014; Bhatia, 2016), focused on and sought to relate the average profitability of the participants in an industry to competitive forces (Porter, 1979). It reveals the industry analysis as the supply–demand analysis of markets in various aspects; the framework is including: (Porter, 1986, 1989, 1996).

External–Micro factors are including – “**Force 1 : The degree of rivalry**” refers to the intensity of rivalry competition is obviously among the industry, “**Force 2 : The threat of new entrants**” refers to the entry obstacle to protect the first mover of industry, “**Force 3 : Supplier power**” refers to the relative size and concentration of suppliers about industry participants, “**Force 4 : Buyer power**” refers to the power and concentration of customers extent to which the buyers to informed differentiation of the competitors, and “**Force 5 : Substitute products**” refers to the substitute products that affect the profitability of the firm; it depends on the relative price and performance ratios of products or services (Porter, 1989, 1996).

Decision Making into International Business Paradigm

Foreign direct investments (FDI) reveal to make decisions by coping with the risk and uncertainty; the information is important for the organizational processes. The difficulties are the of knowledge and experience, organization, host county conditions, market competition, the models of entry modes, and strategies decisions, it made by MNE headquarters to choose from a set of options (Aharoni et al., 2011).

The decision–making effect includes – “**Perceived Risk**” refers to the result of misleading of the organization; the organization has confronted the risk as well, “**Perceived Benefit**” refers to the firm will achieve success, and the impact on the confidence of the shareholders as well as stakeholders of the firm, Corporate image to operate an international business is creating public acceptance the vision of the firm, and “**Equity Return**” is the level of the return in the short and long–term of MNEs (Finucane et al., 2000; Lucey & Dowling, 2005).

Entry Mode Choice of Hotel Industry

The hotel industry refers to an immediate paradox between generosity and the marketplace, the entry mode choice of the Hotel Industry mainly deals with the technical and operational globalization of the hotel industry markets. The market entry modes differ in the level of risk of the host country, the control and engagement of resources are required. There are the major types of hotel entry modes including in the strategic alliances as the joint venture, wholly-owned subsidiaries as merger and acquisition also Greenfield (Sufi, 2008; León-Darder et al., 2011).

Strategic Alliances : A Joint Venture (JV)

A joint venture (JV) is a type of equity alliance and collaborates to create new enterprises; the equity position is partial ownership which affiliates into a joint venture participant in the decision-making activities. The joint ventures depend on how to seek the alliance partners to manage, the networking relationship between MNEs and local entrepreneurs has significance to the joint venture affiliated (Sufi, 2008; León-Darder et al., 2011).

Wholly Own Subsidiary : Merger, Acquisition, and Greenfield

Mergers used for gaining from the valuation discrepancies between firm's stock prices, the two companies recognize the true value of the firm, capitalizing on inefficient management, benefiting from economies of scale, achieving product diversification and other synergetic advantages (Nadolska & Barkema, 2007; Sufi, 2008; León-Darder et al., 2011).

An acquisition is the investors purchasing another firm such as purchasing 100 percent, or closely 100 percent of the assets equity to establish a new enterprise together. It is divided into "private" and "public" firms, depending on whether listed or not listed on a stock market (Sufi, 2008; León-Darder et al., 2011).

A Greenfield investment is the investor that has to establish a new hotel in the host country to produce goods and services if this investment is successful it shows the enormous profitability of Greenfield investment. However, Greenfield investment must utilize the enormous cost and high risk in operation (Sufi, 2008; León-Darder et al., 2011).

Therefore, from the literature review, we develop the theoretical framework the following proposition :

Proposition 1 : Internal-Macro factors have a positive relationship with decision-making to invest in Yangon, Myanmar.

Proposition 2 : Internal-Macro factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar.

Proposition 3 : Internal-Micro factors have a positive relationship with decision-making to invest in Yangon, Myanmar.

Proposition 4 : Internal–Micro factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar.

Proposition 5 : External–Micro factors have a positive relationship with decision–making to invest in Yangon, Myanmar.

Proposition 6 : External–Macro factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar.

Proposition 7 : External–Micro factors have a positive relationship with decision–making to invest in Yangon, Myanmar

Proposition 8 : External–Micro factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar.

Proposition 9 : The decision–making to invest in Myanmar factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar.

Research Methodology

We utilized the qualitative paradigm which is based on interpretivism and constructivism to explore the results, the triangulation is used in this research to validate from among different sources data in a study, that strengthen the internal validity and reliability of the data collection by the way of a precise and accurate result. (Sale et al., 2002), direct observation and documentary research techniques have been used to validate and reliability of the triangulation methods (Qu & Dumay, 2011), and utilized thematic analysis to report the result (Braun & Clarke, 2006).

The samples are using non–probability sampling by purposive sampling within the segment of the population (Myers & Newman, 2007; Wethington & McDarby, 2015), they are including key informants from, 1) Hotel investors and general investors had been investing in Myanmar, 2) government agency and 3) the third-party expert such as banker. These are both Thailand and Myanmar sides, to explore information related to factors of investor decided to invest in the hotel industry in Yangon, Myanmar amount 15 peoples (Talja, 1999; Guarte & Barrios, 2006).

Results and discussion

The research in the title “The mode of entry strategies for Thai multinational enterprises to investing hotel business in Yangon, Myanmar” found the result that :

1. The internal–macro factors have the issue for the investor that considers before entering the hotel investment in Yangon, Myanmar, including – (1) Ownership advantage is the home country support, firms’ size and executives’ experience; (2) Location advantage is the host country’s supported, hotel industry’s potential and cost of operation; (3) Internalization advantage is the firm’ core competencies, share knowledge with a partner, and adaptability to the business condition; and (4) Financial Statement is the financial liquidity, return on investment (ROI), and return on equity (ROE). It can be concluded to confirm the proposition found that :

Proposition 1 : Internal–Macro factors have a positive relationship with decision–making to invest in Yangon, Myanmar with consistency to Rahman et al. (2018) utilized the OLI factors estimate are a significantly positive relationship with MNEs decision–making.

Proposition 2 : Internal–Macro factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar, with consistency to Dowling & Vanwalleghem, (2018) found that the OLIF framework has a positive relationship with the entry mode of MNEs.

2. The internal–micro factors have the issue for the investor that considers before entering the hotel investment in Yangon, Myanmar, including – (1) Value is the strategies define, exploitation opportunities, and coping with business threats; (2) Rarity is the capability of MNEs, serving multi–cultural and hotel’ knowledge; (3) Imitability is the human resources management, firm understanding work together of Thai manager and Myanmar workers, and training for Myanmar employee; and (4) Organization is the firm’ policies and managerial practices in Myanmar. The majority of key informants have an opinion that the investor should use the internal–micro factors to consider before the decision–making to invest. It can be concluded to confirm the proposition found that :

Proposition 3 : Internal–Micro factors have a positive relationship with decision–making to invest in Yangon, Myanmar, with consistency to Pratama & Wibowo, (2017) examine the positive relationship VRIO framework and the financial performance of the firm.

Proposition 4 : Internal–Micro factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar with consistency to Ciszewska–Mlinaric & Wasowska, (2015) found that the VRIO the dynamic capabilities view into entry mode international business.

3. The external–macro factors have the issue for investors that consider before entering the hotel investment in Yangon, Myanmar, including – (1) Political is the political situation, liberalization, and reliability of Myanmar government; (2) Economic is the GDP, access to

capital source and the banking system; (3) Social is the diversity of ethnic groups and languages, Myanmar's work culture, and conflict of minority ethnic; (4) Technology is the technology policies, rate of change and development of the internet; (5) Environment is the electricity, water supply, public health, and transportation system; and (6) Legal is the tax exemption policy, land ownership, and foreign equity restrictions. The majority of key informants have an opinion that the investor should use the internal-micro factors to consider before the decision-making to invest. It can be concluded to confirm the proposition found that :

Proposition 5 : External-Macro factors have a positive relationship with decision-making to invest in Yangon, Myanmar with consistency to Moner-Girona et al. (2018) utilized PESTEL tool to findings in the area of energy sector planning and making decision.

Proposition 6 : External-Macro factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar with consistency to Yaakub & Ying Szu (2017) utilized PESTEL method to analyze the entry mode in the host country.

4. The external-micro factors have the issue for the investor that considers before entering the hotel investment in Yangon, Myanmar, including – (1) Rivalry among firms is price, location, services, reputation of the hotel industry, threat of new entrants in the high capital investment, land price, land leasing, and construction zoning; (2) Bargaining power of supplier is the partner suppliers' quality, co-operation with the suppliers, importation of raw materials from Thailand with tax exemption, and bargaining power of buyers in the room and hotel supply. Customers have little bargaining power and tend to have high power; and (3) Bargaining and substitute products are the already established, well-known hotels, alternative accommodation, and tourist switching travels. The majority of key informants have an opinion that the investor should use the external-micro factors to consider before the decision-making to invest. It can be concluded to confirm the proposition found that :

Proposition 7 : External-Micro factors have a positive relationship with decision-making to invest in Yangon, Myanmar, with consistency to Kim Tran & Ngoc Hoang Yen (2018) conducted by using Porter's five forces model to the competitive advantages analysis of external environment factors to define the opportunities and threats when doing business in Myanmar.

Proposition 8 : External-Micro factors have a positive relationship with the entry mode strategy of the hotel industry into invest in Yangon, Myanmar, with consistency to Ofili (2016) utilized the five forces to measure the international strategy modes.

5. The decision-making to invest in Myanmar affects the three factors including – (1) Perceive risks are the organization risk to lose when wrong decision-making and worst managed image; (2) Perceived benefits are the strong prospects of reliability of firm's performance and corporate reputation; and (3) Equity return is the long-term and short-term returns and growth sustainability. However, the decision making to invest in Myanmar which has no impact on corporate image. The majority of key informants have an opinion that the investor should use the internal-micro factors to consider before the decision-making to invest. It can be concluded to confirm the proposition found that :

Proposition 9 : The decision-making to invest in Myanmar factors have a positive relationship with the entry mode strategy of the hotel industry to invest in Yangon, Myanmar, with consistency to Grünig & Morschett (2017) found that the decision-making has a positive relationship with FDI mode.

6. The mode of entry strategies to invest in Myanmar is that :

6.1 Greenfield has a challenge that is the large initial cost and uses enormous investment capital, and a long time to enter and the survival of the competition. If a business failure occurs it may affect a large amount of devastation investment loss.

6.2 The joint venture model has the strength when having a good partner for Thai and Myanmar investors. It can reduce the risk and help the firm management and the employee management and help the Myanmar people to do business in modern management. The investors can choose to invest in the one-five-star hotel or all levels. In contrast, the challenge is selecting a local partner, sometimes may not be intended and unfavorable. It might cause prosecution between them, and if this happens, it cannot take any action. Sometimes, Thai firms must stop operating overseas.

However, the merger and acquisition mode is not suitable for investment in hotels from the reason that in Yangon, Myanmar has a few standard hotels and a world-class luxury hotel. However, there is some evidence of Merger of Kandawgyi Palace Hotel Yangon, which is a subsidiary of the Baiyoke Sky Hotel, a Thai hotel that was founded 20 years ago but had already been acquired by the business to a western investor.

Conclusion and recommendations

Internal-Micro factors have a positive relationship with the decision-making, and the entry mode of investment in the hotel industry, Yangon, Myanmar, investors should be considering the policy of the Thai government to exploitation the benefit from the strengths of the Thailand hotel industry, firms' size, executive experience, Myanmar

government supporting, hotel industry potential, cost of investment, core competencies, share knowledge sharing, adaptability and financial statement.

Internal–Micro factors have a positive relationship with decision–making and the entry mode of MNEs of investment in the hotel industry, Yangon, Myanmar, investors should be considering the internal source management such as strategies definition, exploit opportunities, cope with the business threat, capability, serving multi–cultural, knowledge, human resources management, knowledge of Myanmar people, employee training, firms’ policy, managerial practice and knowledge of Myanmar executive.

External–Macro factors have both a relationship with decision–making and the entry mode of MNEs of investment in the hotel industry, Yangon, Myanmar, investors should consider related to the politics, liberalization, and reliability of Myanmar government, GDP, capital source, banking system, diverse ethnic groups and conflict of them, skill of employee, technology policies, rate of change, development of the internet, infrastructure, public health, transportation system, tax exemption policy, land ownership, and foreign equity restrictions.

External–Micro factors have a positive relationship with decision–making and the entry mode of investment in the hotel industry, Yangon, Myanmar, investors should consider related includes the competition and trend in the future, process, amount of capital, the land price, limited zoning, the quality of partner suppliers, the co–operation with the suppliers, raw material, room number of hotel, market growth, already established and well–known hotels, and alternative accommodation which tourist has to switch tourism destination.

The decision–making investment in the hotel industry, Yangon, Myanmar, investors should decision based on perceived risk, such as risk to lose and worst managed of the organization, perceived benefits such as future growth, firms’ performance, corporate reputation, and equity return affects long and short–term growth.

The investor has two choices that are the joint–venture and Greenfield mode of entry that is suitable for the decision–making investment in the hotel industry, Yangon, Myanmar.

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