# Influential Factors of Foreign Market Entry of Korean Fashion Firms

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# 한국 패션 기업의 해외 시장 진입에 영향을 주는 요인에 관한 연구

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## Abstract

As the fashion industry comes under the influence of globalization throughout all fields of industry, the globalization and the market entry strategies are required for Korean fashion firms. This study attempted to analyze the factors influencing foreign entry mode of Korean fashion business based on Eclectic Theory. Data collection has been carried out from November 25 until December 25, 2005. The questionnaires were sent through e-mail or fax to 622 trading companies. 67 questionnaires were returned for a response rate of 10.7 %. Of these returns, 61 usable questionnaires were employed for data analyses. Descriptive analysis, factor analysis, discriminant analysis, and t-test were used for data analysis. First, the most important venture motivation was price competitiveness and many firms were engaged in both production and sales in their target countries, which were mainly in Southeast Asia. Second, the firm's ability and experience were found out as ownership advantage factor, investment stability and market potential as location advantage factor, and contract stability as internalization advantage factor. Third, the result of discriminant analysis showed that location advantage factor was a significant factor in predicting the entry of fashion firms into foreign countries.

*Key words:* Globalization strategy, Foreign market entry mode, Fashion firms, Dunning's OLI paradigm, Location advantage; 세계화 전략, 해외시장진입방식, 패션기업, Dunning의 OLI 패러다임, 지역적 우위

## I. Introduction

As the fashion industry comes under the influence of rapid globalization throughout all fields of industry, fashion firms all over the world face limitless global competitions internally and externally. The globalization of Korean enterprises has got into

stride since late 1980s: the foreign direct investment has continued to increase to the sum of $57 billion in 2005(as of November, 2005) including $3.3 billion, 5.8% of the sum, in textile clothing(Ministry of Finance and Economy, 2005). Until now the globalization of Korean fashion business has been initiated by shifting manufacturing base abroad as a part of foreign direct investment(Son, 2003). A foreign market entry mode is a term of how a company enters foreign markets, that is, an institutional arrangement

that enables a company to transfer its products, technology, management, and other resources to a foreign country. The entry mode choice is important in that the entry may be restricted by various resources and numerous efforts and costs may be required to change early choice. A foreign market entry is influenced by various determinants such as the degree of an investor's experience and the instability of the target foreign country; thus, thorough analysis of these determinants is necessitated to succeed in a foreign market entry. Dunning(1980) presented Eclectic Theory which explains foreign direct investment according to three factors - ownership advantages, location advantages(country specific advantages) and internalization advantages. He said sole venture took place when those three conditions were satisfied and followed up on this theory in numerous articles and books, refining and expanding the original contribution.

Korean fashion firms, once mostly dependent on OEM(Original Equipment Manufacturing), are now exporting their brands through the overseas sourcing mainly in the Southeast Asian area. However, research on the foreign market entry of fashion firms is still at its early stage. The purpose of this study is to analyze the factors influencing foreign market entry mode of Korean fashion firms based on Eclectic Theory, one of foreign direct investment theories. The data resulted from the analysis of globalization of fashion industry by specific theoretical framework will be able to provide useful foreign entry strategies with fashion firms which would enter foreign markets in the future.

## II. Theoretical Background

### 1. Foreign Direct Investment

One of the properties of globalization is the foreign direct investment. Many scholars have presented their own theories of the investment. Monopolistic Advantage Theory, the most traditional one, was proposed by Hymer(1976) among others. This theory was proposed to provide a framework designed to explain foreign investment in manufacturing industry after World War II(Moon, 2002). It focuses on the

monopolistic superiority of the enterprises which would enter foreign markets as a determining factor of success in a foreign country because they are situated in a disadvantageous position in terms of a lack of information of target market and raw material supply, disadvantageous legal-regulatory environment, and discrimination against foreign enterprises. It centers on the firm-specific advantage as a determining factor of success in the foreign direct investment.

Internalization Theory proposed by Buckley and Casson(1976), is based on the transaction cost theory. The reason for internalizing its operations across boundaries includes the desire to minimize the risk and /or costs of fluctuation exchange rates; to cushion the adverse effects of government legislation or policy; to be able to take advantage of differential interest rates and 'lead' and 'lag' in intra-group payment(Dunning, 1999). According to Buckley and Casson export and licensing are transactions between legally and substantially independent firms, while the foreign direct investment is an internal transaction within a firm(Buckley & Casson, 1976; Buckley & Casson, 1999). They suggested that because contracts between firms generated excessive transac-tion cost, firms would rather invest directly by themselves (Moon, 1999). In other words, building a subsidiary and conducting transactions within a firm can reduce costs.

Dunning(1980) presented Eclectic Theory which focused on ownership advantages, location advantages and internalization advantages as determining factors of foreign direct investment. This theory, also called OLI paradigm, explains that foreign direct investment takes place when these three conditions are satisfied. According to the OLI paradigm, export takes place when ownership advantages exist even if location advantages and internalization advantages are weaker, and sole venture takes place when these three conditions are satisfied.

Buckley(1985), however, criticized the theory, arguing that the correlations between those three factors were uncertain and the concept of internalization factor and enterprise advantage factor was overlapped(Moon, 2002). Despite this criticism, Dunning's eclectic theory is still meaningful since

various studies have been proving its validity.

## 2. OLI Factors and Entry Mode Selection

Dunning's OLI framework of foreign direct investment as applied to entry mode choice suggests that firms will select their entry mode structure by considering three sets of variables. Ownership(O) advantages are firm-specific competitive advantages that the firm may possess. Location(L) advantages are country-specific factors related to the market under consideration, such as market potential and market risk or benefits. Internalization(I) advantages are primarily concerned with reducing transaction and coordination costs(Dunning, 1988; Brouthers et al., 1996).

Agarwal and Ramaswami(1992) examined the effect of interrelationship among a firm's ownership (i.e., ability to develop differentiated product, size and multinational experience), location(i.e., market poten-tial and investment risk), and internalization advanta-ges(i.e., contractual risk) on its choice of entry modes in foreign markets. Brouthers et al. (1996) investigated the impact of ownership and location factors on entry mode selection in the U.S. computer software industry. Tse et al.(1997) examined the impact of OLI factors on entry selection within China. Tatoglu and Glaister(1998) attempted to examine Dunning's framework for firms investing on Turkey. These studies supported Dunning's framework. More recently, Brouthers et al.(1999) attempted to determine whether Dunning's OLI variables could be used to predict the best performing entry modes or merely the most commonly selected modes. They found firms which selected the mode suggested by Agrawal and

Ramaswami's extension to Dunning's framework were significantly better than firms whose entry mode choice did not conform to the Dunning's framework (Brouthers et al., 1999).

The choice of one foreign market entry mode along with the choice of market is the important decision the entrepreneurs should make(George, 2003; Johansson, 2005). As shown in <Table 1>, the classification of foreign market entry modes differs among case studies. Especially, the independent mode by Bouthers et al.(1996) means contract and licensing mode, cooperative mode means joint venture and strategic cooperation, and integrated mode means sole venture. Therefore, different classification of foreign market entry mode could be applied to different target countries and industries, and, thus specific classification is required for fashion industry.

## 3. Entry Mode of Korean Fashion Firms

The globalization of Korean fashion industry, which began with the export in 1970s, led to the local production and the establishment of local subsidiary caused by the increase in production cost in early 1990s. Especially, the intensive competition worldwide caused by the drastic decrease in export to developed countries in mid-1990s forced the fashion industry to devote itself to increase its competitiveness in the world(Son, 2003). Kim(1999) found out that firms tended to increase offshore sourcing as they accumulate experience in foreign business because they could decrease transaction costs as perceived risk decreases. Yi et al.(2002) considered global sourcing competitiveness for Korean fashion industry and studied the present status of global sourcing, strength and

**Table 1. Category of entry mode**

| Research | Industry/Country | Foreign Market Entry Mode |
|---|---|---|
| Agarwal & Ramaswami (1992) | Leasing/ U.S.A. | exporting, licensing, joint venture, sole venture |
| Bouthers et al.(1996) | Computer software/ U.S.A. | Independent, Cooperative, integrated mode |
| Brouthers et al.(1999) | No specific area Dutch, Germany | exporting, licensing & franchising, joint venture, sole venture |
| Tse et al.(1997) | Foreign investment firms in China | exporting, licensing, joint venture, wholly owned(owning over 95% of acquisition pr Greenfield) |

weakness of local environment and its sourcing rate. Son(2003) pointed that overseas production has increased for the purpose of competitiveness although there are still many overseas ventures depending on export. Ko and Seo(2003) found out that Korean fashion firms were gradually introducing their own brand export, departing from OEM-oriented export. More recently, Son et al.(2004) attempted to examine the interactive relation between foreign direct investment and export/and fashion products in different fashion industries both worldwide and in Korea. They found that the fashion industry in Korea showed a significant correlation between outbound investment and both export and import.

Recently, many firms engaged in OEM production began to move its production facilities into foreign countries due to deteriorated labor condition such as the rise in wage in Korea. Thus, more specific criteria and classification are required in order to grasp the changing aspects in the fashion industry. Considering these factors comprehensively, this study separates OEM producing in Korea from OEM producing in overseas countries.

In sum, overseas ventures by Korean fashion firms have been export as OEM until now, but recently they showed increase in the establishment of overseas production base and their brand export. Considering that the Korean fashion firms are at the stage of market entry, the market entry strategies are required for those firms among others. And considering that the productivity was regarded important in Korean fashion industry, overseas ventures of Korean enterprises may show different aspects from those of multinationals. Accordingly, it is important to analyze the factors influencing the foreign market entry

strategy of Korean fashion firms.

This study will deal with the following research questions:

1. The current situation of overseas ventures of Korean fashion firms will be identified.
2. Influential factors on the foreign entry mode of Korean fashion firms will be examined.
2.1. OLI factors in fashion industry will be examined.
2.2. How much the aforementioned OLI factors are effective in foreseeing the foreign entry mode of fashion firms will be verified

## III. Methodology

### 1. Data Collection

Data collection has been carried out from November 25 until December 5, 2005. The questionnaires were sent through e-mail or fax to 121 trading companies registered with The Korea Chamber of Commerce and Industry and 333 member companies of Korea Apparel Industry Association. The questionnaires were also sent to 168 CEOs who are attending the Advanced Program for Chief Executive Officers in Fashion Business at Seoul National University after they agreed to respond to the survey over the telephone. The first collection of the questionnaires from respondents was only 34, 5.7% of respondents. The second collection was carried out from December 5 to December 9, 2005 and the questionnaires were sent again through fax and e-mail. 31 additional questionnaires were collected until December 25 and telephone survey was made for 2 companies. Finally, 67 questionnaires were returned for a response rate of 10.7%. Of these returns, 61 usable questionnaires

### Table 2. Measurement items

| Variables | Item | Source of Items |
|---|---|---|
| Company Characteristics | entry motivation, forms of firm forms of business, country of entry, gross volume, number of employees | Son(2003) Researcher |
| OLI Factors | OLI factors: ability, multinational experience, market potential, invest stability, contractual stability(1-7 point scale) | Agarwal & Ramaswami(1992) |
| Entry Mode Selection | the four entry mode categories | Researcher |
| Satisfaction with Performance | sale growth, profitability, market share, marketing, distribution, reputation(1-7 point scale) | Brouthers et al. (1999) |

were employed for data analyses.

## 2. Instrument and Analysis

All the questions for the OLI factors came from Agrawal and Ramaswami(1992) and were modified to be applicable to fashion firms. The responses were scaled using a 7 point.

In the discriminant analysis, entry mode of globalization is operationalized as a four category nominal dependent variable(Brouthers et al., 1999). Respondents were asked to select one of the four entry mode categories which describe how they enter the international business; (1) exporting of finished goods, (2) licensing & as OEM producing in Korea, (3) joint venture & as OEM producing in overseas countries, (4) sole venture. To t-test whether the firms choosing entry modes predicted by Dunning's OLI model showed greater performance satisfaction, we performed a simple t-test. For the t-test between two groups, 'fit' was used as the independent variable of interest. Fit was a dichotomous variable coded as '1' if the discriminant analysis correctly predicted the firm's entry mode, and '0' if the disciriminant analysis incorrectly predicted the firm's entry mode.

We examined the satisfaction with the multidimensional constructs of Performance. The six performance dimensions were (1) sales volume growth, (2) profitability, (3) market share, (4) marketing, (5) distribution, and (6) reputation(Brouthers et al., 1999). Like Brouthers et al.(1999), for each measure respondents were asked "How satisfied are you with the

performance of foreign activity, as measured with…" the various performance dimensions.

## IV. Results

### 1. Sample Profile of Fashion Firms

The annual sales averaged around $ 103.8 million and 37.7% of respondents said their sales averaged below $ 20 million. Out of the total sales, a portion of the sales from overseas averaged 65%. The average number of employees was 138 in Korea, 1,069 in foreign countries. The most important venture motivation was price competitiveness: 60% of surveyed companies said price competitiveness was the most crucial motivation. More detailed sample profiles were presented in <Table 3 and 4>.

Just as Son's study(2003) showed that price competitiveness held the 58% of motivation of ventures, it is understood that price competitiveness is considered top priority in Korean fashion industry. Bang

Table 4. Motivation of entry into foreign country (Multiple response)

| Entry motivation | Frequency |
|---|---|
| Price competitiveness | 54 |
| Security of Productivity | 31 |
| Opening of a new market | 30 |
| Exporting | 24 |
| Expansion of sale | 20 |
| Reduction of costs | 8 |
| Security of raw material | 4 |
| The lead-time of production | 3 |

Table 3. The sample profile of fashion firms in Korea

| Country of entry | Frequency* | Sales volume(mil. $) | Frequency(%)* |
|---|---|---|---|
| North America & Japan | 17 | | |
| Latin America | 6 | Below 19,999 | 23 (37.7%) |
| Europe | 9 | 20,000~49,999 | 8 (13.1%) |
| China & North Korea | 43 | 50,000~99,999 | 9 (14.8%) |
| Southeast Asia | 34 | 100,000 over | 12 (19.7%) |
| | *multiple response | | *missing(9) |
| Form of main item | Frequency(%) | Form of business | Frequency(%) |
| Fiber | 1 ( 1.6%) | Production | 41 (67.2%) |
| Textiles | 8 (13.1%) | Retail | 10 (16.4%) |
| Apparel | 50 (82.6%) | Production & Retail | 2 ( 3.3%) |
| Dying | 2 ( 3.3%) | | |

(1997) argued that the industry sensitive to the changes of external environment showed the different global- ization aspects. In the case of the footwear industry where labor costs are more valued than anything else, for instance, its international competitiveness got weakened when the wage increased in Korea and it was forced to enter Southeast Asia where labor costs were low. The low labor cost is important for price competitiveness in fashion industry as well as in foot- wear industry.

The investment entry mode to the United States and Japan was export of finished goods and that for China and Asia was sole venture. Some firms made Latin America a production base for export to the United States. Most of all, it was remarkable as many as three firms already entered North Korea when the history of exchanges between North and South Korea was not so long. North Korea is considered to be conveniently located in that she is not far from South Korea, China and Russia; thus, raw materials

and parts could be quickly supplied from South Korea and the products could be exported to China and Russia. As shown in <Table 3>, 16.4% of the firms were engaged in both production and retail sales; 90% of them entered Southeast Asia. Accord- ing to Craig and Douglas(1996), the local production and retail sales of domestic brand is a stage to extend a local market. Thus, it is important to establish and settle down the firm in a local market.

## 2. Factor analysis

Factor analysis was used to assess the psychomet- ric properties of the construct. Thirteen questions used in the factor analysis were classified into four factors and <Table 5> shows the details: investment stability, market potential, contract stability, and firm's ability and experience. The factors influencing foreign market entry mode of fashion firms accounted for 69.5% of total variance in the sample.

**Table 5. Dimensions of influential factors on entry mode**

| OLI | Variables | Measurement Items | Factor | Alpa |
|---|---|---|---|---|
| Location Advantages | Invest Stability | What do you think about the general stability of the political, social, and eco- nomic conditions in (country)? | .812 | .835 |
| | | What do you think is the attitude of government toward foreign firms in gen- eral in (country)? | .728 | |
| | | What do you think about the attitude of government toward the fashion indus- try in (country)? | .715 | |
| | | What do you think is the stability of expropriation of firms from (country)? | .695 | |
| | | What do you think is the stability of converting and repatriating your income in (country)? | .626 | |
| | Market Potential | What do you think is the potential of fashion industry in (country)? | .896 | .850 |
| | | What do you think is the growth potential of fashion industry in (country)? | .840 | |
| Internalization Advantages | Contractual stability | How sure are you that your standards of quality of services will be main- tained if you operated jointly with a local fashion firm in (country)? | .817 | .703 |
| | | Compared to that of the South Korea, how would you rate the costs of mak- ing and enforcing contracts in (country)? | .755 | |
| | | What do you think is the stability of dissipation or misuse of your proprietary knowledge if you operated jointly with a local fashion firm in (country)? | .495 | |
| Ownership Advantages | Ability & Multinational Experience | How do you rate your training program in terms of preparing personnel to conduct business? | .856 | .781 |
| | | How multinational do you think your firm is, in terms of number of countries operated in? | .754 | |
| | | How capable is your firm in terms of technological, managerial, and financial capabilities to handle international expansion? | .741 | |

This result is different from the precedent studies in two aspects(Agarwal & Ramaswami, 1992; Brouthers et al., 1999). First, one item which was ability factor in precedent studies was excluded from factor analysis, because of low internal consistency. And 3 items of Ability and Multinational Experience were highly correlated, thus these were combined to form of single factor. Second, Market Potential and Invest Stability indicators were different from that in the precedent studies. Four questions regarding Market Potential, one of location advantage factors, were split into the investment stability. Another two questions regarding target country's market potential were classified into a separate factor. This classification is ascribed to properties of the target country. China where the Korean fashion firms invest severly, for instance, was valued very high in clothing market potential and growth potential, but the Chinese government's attitude was estimated very unfriendly. However, considering that the Investment Stability and Market Potential belong to Location(L) advantage factor, this classification is not opposed to Dunning's theory.

### 3. Discriminant analysis

For the discriminant analysis, independent variables consisted of multiple measures of four factors which are based on the three Dunnig's OLI advantages. We used a discriminate analysis to predict the minimal measure of entry mode by OLI characteristics(Table 6). The model correctly classified 41.0% of the cases(p<.05). For the study of Brouthers et al.(1999), the model correctly classified 49.3% of the cases, substantially greater than the 25% classification rate expected by chance alone(Brouthers et al.,

1999). Thus, the hit ratio in this study may be considered to be acceptable. Significant Function 1 was founded, and significant predicting variables were Invest Stability and Market Potential. Considering both investment stability and market potential are location(L) advantage factor, it may be given as a conclusion that location advantage has a crucial influence on foreign market entry of fashion industry. The performance satisfaction of firms after their overseas expansion was also inspected. The T-test result did not show significant differences between the OLI paradigm predicted group and the other group. This result is understood that the group, even if it goes with OLI paradigm, does not value its level of performance satisfaction high, and this finding is opposed to the study of Brouthers et al.(1999). The result is ascribed to two matters. First, it is the matter of the questions used in the questionnaire. The question regarding the performance satisfaction is subject to respondent's subjective judgment. Especially, fashion firms tended to appraise the performance satisfaction regardless of their sales expansion or earning rates. Second, it is ascribed to the fact that Dunning's theory is more suitable to MNEs(multinational enterprises). Foreign direct investment by SMEs covers a wide range of industries. Typical industries include metal working, capital goods production, textiles and clothing, food, furniture, ceramic products and nonmetallic products. Significantly foreign direct investors from less developed countries were largely small scale manufacturers, with high adaptability to local condition and flexible user of capital equipment (Buckley, 1999). While the firm's ability and experience to be able to perform the foreign direct investment are considered important theoretically, SMEs often face the situation where they are forced to carry

**Table 6. Influential factors identification by discriminant analysis**

| Function | Eigen value | % of Variance | Canonical Correlation | Wilk's Lambda | Chi Square | Classified correctly % |
|---|---|---|---|---|---|---|
| Function1 | .525 | 97.6% | .587 | .647 | 24.779 | 41.0% |
| Factor | Standardized Canonical Discriminant Function Coefficients | | | | | |
| Invest Stability | .756 | | | | | |
| Market Potential | .824 | | | | | |

out internationalization strategy despite the lack in the internal resources. Additionally, the fact that Korean SMEs held high percentage of the foreign direct investment is opposed to the theories that emphasize the ownership advantage(Bang, 2003). The foreign direct investment, especially in textile and clothing industry, is understood to have been done as a strategy to overcome the raised trade barrier in developed countries and to secure the price competitiveness in export market. This study supports the fact that the location where raw and subsidiary materials could be easily supplied from South Korea and cheap labor is available is selected as the location for production(Moon, 2003). As this study shows, Korean fashion firms are influenced by location advantage rather than ownership or internationalization advantage, and this is the uniqueness of Korean fashion industry that traditional theory of foreign direct investment has limitations to explain.

## V. Conclusion

The Uruguay Round multilateral trade negotiation was reached in December, 1993. Since then, trade barriers have been lowered, and consequently globalization has increased. Recent rapid development of optical communication has accelerated the globalization. Globalization in fashion industry is also rapidly being increased, but there are not many studies to analyze its globalization strategy. Most of all, new foreign market entry strategy in fashion industry is required since the foreign market competitiveness continues to be weakened due to the market entry by the least developed among developing countries like China.

Thus, this study analyzed the factors influencing foreign entry mode as a globalization in fashion industry and the result showed the followings. First, Korean fashion firms are considered to come under the pressure of globalization due to external environment and expand its business overseas in order to secure low-waged competitiveness. Especially, many Korean fashion firms selected a sole venture as a foreign market entry mode. It was notable that many Korean firms have preferred to be OEMs but produc-

ing in overseas countries. Second, the firms tended to select export mode for developed countries, while they select joint venture and sole venture for Southeast Asia. In addition, many firms were engaged in both production and retail sales and their target countries were mainly Southeast Asian countries. Third, in order to analyze the factors influencing foreign entry mode of fashion industry, Dunning's OLI paradigm was applied. The firm's ability and experience were found out as ownership advantage factor, investment stability and market potential as location advantage factor, and contract stability as internalization advantage factor. Forth, discriminant analysis was carried out in order to find out how exactly the analyzed factors could predict the foreign entry mode and the result showed investment stability and market potential were significant factors in predicting. Considering both investment stability and market potential are location advantage factor, it may be given as a conclusion that location advantage has a crucial influence on foreign market entry of fashion industry.

The fashion firms should pay attention to the following matters in order to survive under globalization. First, small and medium firms tended to prefer sole venture in order to secure price competitiveness and it may be successful in a short term, but in a long term view, the firms without ownership advantages should be prudent in selecting the mode. Second, different globalization strategy is required for each target country. Many firms moved production base overseas for price competitiveness and often faced difficulties due to the unfriendly attitude of the local government. The customs, attitude of the local government, differences in cost and quality of product, and various institutional and environmental differences should be fully analyzed. Third, just as it is shown from the fact that Korean fashion firms increasingly prefer localization rather than simple export and production, it should be observed that Southeast Asia would rise as a main consumer market for Korean fashion product.

For this study, it was not easy to contact people in charge because most Korean fashion firms are not large, and it was difficult to collect data because the

target firms were limited to those who tried to enter or entered foreign market. Therefore, this study has limitation in that the sample firms are only 61. It also has limitation in that each respondent's position in the company was different due to the scale of the company, although they were all engaged in foreign business. Despite the limited samples, however, this study could reach a meaningful conclusion through the examination of foreign direct investment theories and experimental studies, which have been rare in the field of clothing and textiles. Suggestions for future studies are: First, it is required to analyze the determinant factors of production and retail sales in a target country. Considering the uniqueness of fashion industry, it is considered to be effective to study on qualitative approach. Second, Southeast Asia is expected to become a location for both production base and sales, and the study on the consumers in main target countries is required. General theories would have limitation due to significant cultural difference, so it is required to revise criteria through comparative cultural studies.

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## 요 약

세계화의 영향으로 한국 패션 기업들은 생산기지를 해외로 이전하고 있다. 해외 시장 진입 방식은 자원 상의 제한과 초기 선택 변경의 어려움을 특징으로 한다. 따라서 해외 시장 진입에 작용하는 다양한 요인 들을 분석하는 것은 해외 시장에서의 성공과 직결된다. 본 연구는 해외 진출 이론의 하나인 Dunning의 OLI 패러다임(절충주의) 이론을 패션 산업에 적용해, 패션 기업들의 해외 진입방식에 영향을 주는 요인들 을 분석하였다. 자료 수집은 2005년 11월 25일부터 12월 25일까지 이루어졌다. 해외 진출을 한 622개의 업체에 설문을 요청하여 총 67개의 설문이 회수되었으며 회수율은 10.7%였다. 이 중, 61개의 설문이 분 석에 이용되었다. SPSS 12.0K를 이용해 기술분석, 요인분석, t-test, 판별분석을 수행하였다. 연구 결과는 다음과 같다. 첫째, 진출 동기의 경우 가격경쟁력을 1순위로 답한 업체가 60%에 달하였다. 진출 지역별 특성을 살펴보면, 선진국으로는 수출을 선택하고 있었고, 동남아시아의 경우 합작투자와 단독투자를 선 택하고 있었다. 둘째, 패션 산업의 해외 진입방식에 영향을 주는 요인을 분석하기 위해 Dunning의 OLI 패 러다임을 적용하였다. 소유 우위는 회사의 능력과 다국적 경험요인, 입지우위는 시장잠재력요인과 투자 안정도요인, 내부화 우위는 계약 안정도 요인으로 나타났다. 또한 추출된 요인들이 해외진입방식을 얼마 나 잘 예측해주는지를 알아보기 위해 판별분석을 한 결과 시장잠재력과 투자안정도가 유의한 예측 요인 으로 드러났다. 본 연구는 한국 패션 기업 중 해외 진출을 시도한 기업만을 대상으로 하였기 때문에 일반 기업 표본보다 데이터 수집에 더 어려움을 겪었으며 따라서 표본이 61개라는 한계를 가진다. 하지만 표본 의 한계에도 불구하고, 의류학 영역에서 잘 시도하지 않았던 해외직접투자 이론을 검토하여, 경험적 연구 까지 시도하였으며 이를 통해 유의미한 결론을 내릴 수 있었다.