Abstract

It is general that **encouraging investment in construction and infrastructure industry remains to be the priority of the "One Belt, One Road" initiative (the "OBOR" initiative) in the second phrase ().** The enterprises will also meet increasing opportunities in the infrastructure construction industry in this period. Meanwhile, these enterprises will yet be affected by various complicated challenges when selecting the potential markets under such new background of OBOR initiative. Thus, from the perspective of construction companies, it is the urge time to explore how to choose the suitable markets to develop new infrastructural construction projects in a new era, and how to build the feasible entry modes to avoid the failed projects as well. Based on the background of the "OBOR" initiative and the analysis of infrastructural construction industry, this paper put forward the research question: **is there a type of countries along the route of the "OBOR" initiative that are specifically not conductive to development for multinational companies?** And, accordingly**, is it possible for these companies to adopt a scientific entry mode to mitigate the disadvantage of such market?**

For this research topic, **firstly**, this dissertation will commence by summarizing the current literatures of international market potential and entry mode theories. According to the reviews of relevant researches, the background of the "OBOR" initiative will be briefly introduced. Besides, it is found that the lack of systematic analysis of infrastructural construction market potential in terms of the countries along the route can be regarded as a research gap. From the perspective of

methodology, systematically combining the quantitative analysis of market potential with the micro-analysis of business entry modes as a unified and mutually influential compound is also another gap in current researches. Based on this, the research question will be put forward. **Secondly**, by collecting and analyzing the national infrastructure and construction data released by the World Bank in 2014, the **Standard Scores Model** and **SPSS Statistics** software will be used to quantify the level of national infrastructural construction performance along the "Belt and Road". By so doing, the research will classify 62 countries into 4 types of market (Stars, Cash Cows, Question Marks and Dogs) through using **BCG Matrix**. **Thirdly**, after identifying the features of each type of markets, this research will discuss corresponding entry modes for the markets defined in the second part. **Finally**, the hypothesis in the beginning is tested and the limitations of this research are elaborated.

Introduction

Since “the Belt and Road” (OBOR) initiative was proposed in China when president Xi Jingping visited Southeast Asia in 2013, it has attracted attention from all over the world. “The vision and actions on jointly building silk road economic belt and 21st century maritime silk road”, issued by the national development and reform commission, covers around 62 nations and regions in Aisa, Europe and Africa. Accordingly, the overseas enterprises will also meet new opportunities in the construction industry, especially along the “Belt and Road”. Meanwhile, these enterprises will yet be affected by various complicated challenges when selecting the potential markets under such new background of OBOR initiative. Thus, from the perspective of construction companies, it is the urge time to explore how to choose the suitable markets to develop new infrastructural construction projects in a new era, and how to build the feasible entry modes to avoid the failed projects as well.

Majority of the projects implemented in the Belt and Road 1.0 period were the infrastructure and construction projects. While a large number of them were successful in construction, many construction projects had different kinds of functional failures. For example, Mecca Railway project organized by China Railway Construction Corporation experienced budget and time over-runs. (Herrero and Alicia, 2017). According to the main reasons of the failed projects, most of the current researches show that they are attributed by three aspects: political, cultural and project managerial problems (). However, apart from these three aspects, the author put forward an assumption that the selection of the investment market, the

determination of the corresponding entry mode can be the key factors determining the success of the project, for overseas construction companies or investors. Based on this, this paper put forward the research question: **is there a type of countries along the route of the "OBOR" initiative that are specifically not conductive to development by multinational companies?** And, accordingly**, is it possible for these companies to adopt a scientific entry mode to mitigate the disadvantage of such market?**

For this research topic, **firstly**, this dissertation will commence by summarizing the current literatures of international market potential and entry mode theories. According to the reviews of relevant researches, the background of the "OBOR" initiative will be briefly introduced. Besides, it is found that the lack of systematic analysis of infrastructural construction market potential in terms of the countries along the route can be regarded as a research gap. From the perspective of methodology, systematically combining the quantitative analysis of market potential with the micro-analysis of business entry modes as a unified and mutually influential compound is also another gap in current researches. Based on this, the research question will be put forward. **Secondly**, by **collecting and analyzing the national infrastructure and construction data released by the World Bank in 2014,** the **Standard Scores Model** and **SPSS Statistics** software will be used to quantify the level of national infrastructural construction performance along the "Belt and Road". By so doing, the research will classify 62 countries into 4 types of market (Stars, Cash Cows, Question Marks and Dogs) through using **BCG Matrix**. **Thirdly**, after identifying the

features of each type of markets, this research will discuss corresponding entry modes for the markets defined in the second part. **Finally**, the research questions in the beginning will be answered; the limitations of this research and the suggestions for the further studies will be elaborated accordingly.

It is well-known that, for all multinational contractors, political and cultural factors are an inevitable risk. The existence of multiple successful projects shows that the proper execution of project evaluation and project management can largely reduce the risk whilst safeguarding stakeholders' interests. The significance of this research can be concluded into three points: **firstly**, this research suggests that, in the Belt and Road Initiative, transnational investment contractors must accurately grasp the key factors that influence construction market potential and facilitate international contractors and investors to accurately select the entry mode from a strategic perspective. **Secondly**, this research will systematically integrate the quantitative analysis of construction market potential with the micro-analysis of business entry models. Thus, it can provide significant information to construction enterprises, such as investors or contractors, to implement projects in the "OBOR" Initiative. **Finally**, the limitations will be elaborated in the last part of the paper and some perspectives of the further research will be suggested as well.

2 Literature Review

2.1 Research Background and Aims

With the **irreversible trend of globalization**, cooperation among countries in a region

has penetrated into many industries such as aviation, construction, international trade, communication engineering and so on (). Especially after financial crisis in 2008, strengthening regional cooperation has shown its significance in achieving the development of global economy. In other words, regionalization has become the new trend of this era.

In China, the overcapacity, high dependence on oil and gas resources have increasingly become the harsh issues nowadays (). **China needs to seek some effective ways to solve this problem.** From the perspective of inter-regional economy, the developing resource allocation, improving market integration and promoting interconnection network are specific targets in a long run. In these contexts, president Xi Jinping proposed the concept of "One Belt One Road (OBOR)" initiative, which has received extensive attention all over the world (). Relying on the cooperation with relevant countries along the route, China put forward of the OBOR initiative which aims to achieve mutual benefits and win-win results: driving the economic development of related countries; creating the new growth of regional economy; and jointly benefiting the people along the route (). Specifically, this cooperation focuses on industries such as construction (especially infrastructural construction), energy, communications, aviation and foreign trade. Among them, infrastructure industry is a key point for remaining the economic and social development, and for deepening the cooperation among countries along the route (). Therefore, **encouraging investment in construction and infrastructure industry remains to be the priority of the OBOR initiative in the second phrase**, which reflects the business cooperation with related

countries in such industries will go further as well ().

What is worth mentioning is, in this dissertation, **“infrastructure construction”** refers to the projects such as transportation, airports, ports, electricity, etc. It is the material basis for economic and social development, given that basic infrastructures guarantee the normal operation of the main functional facilities in a city, and provide the solid foundation for material production and human living (). Thus, the infrastructure level plays a vital role in social and economic development.

At present, among the 65 countries along the “Belt and Road”, there are 44 countries in Asia, 16 countries in Central and Eastern Europe, 4 countries in the Commonwealth of Independent States, and 1 country in Africa (). Except for a few developed countries, the rest of the nations, especially Asian countries, have widespread outdated infrastructure. Many factors such as lacking of overall planning have seriously impeded firms to invest in international infrastructure construction industry. Additionally, although the Asian region is in a period of rapid industrialization, the electricity shortages and imperfect transportation network construction have severly affected the development of Asian economies to a certain extent ().

However, according to estimates by the Asian Development Bank, **the demand for infrastructure investment** in Asia alone will reach 8 trillion USD in 2010-2020, of which electricity industry and highway transportation account for about 51% and 29%, respectively (). From the perspective of sub-regional distribution, the demand for investment in the East Asia and Pacific countries is 4.67 trillion USD; South Asia also accounts for 2.78 trillion USD; 460 billion USD is accounted of the demand in Central

Asia (). In addition, as for transportation and energy projects of Asia, the investment in specific infrastructures such as pipelines is approximately 290 billion USD (). To summarize, with the continuous advancement and deepening of the OBOR strategies, **it can be predicted that more opportunities will be provided to the Chinese and foreign construction enterprises** by enabling them to enlarge a boarder market scope.

2.2 A Summary of Studies

The main content of the research is analyzing the market potential of infrastructure industry in different countries along the “silk road”. Referring to Standard Scores Model and SPSS Statistics software, the author will classify the 62 countries into 4 types of markets in terms of infrastructural construction performance. Then, the research will deepen the analysis of how do firms select the entry mode after identifying a target market, especially under the background of the OBOR initiative. To summarize, these two aspects interact with each other but have inseparable internal links. It is general that the research is constructed by incorporating the concepts of market potential and entry mode into enterprise management for the infrastructural construction films in the OBOR initiative. Hence, the literatures of market potential and entry mode, construction economics theories and enterprise management models are used to support this study.

2.2.1 Market Potential

Among the current literatures of market potential, scholars have drawn, and considerably adapted ideas from **the research of phenomenon**. Researching the

market potential of a new area is the first basic work for companies, before stepping into the second phase of choosing a suitable market to develop the business. In the field of infrastructure construction, companies should focus on analyzing the general environment of target markets before investing because of such features of this field as the diversity of infrastructure projects, the huge value of infrastructure investment and the long business cycle of construction product (). In recent years, many scholars have conducted an in-depth analysis of the **international infrastructure market potential with Asia as the key object**. Specifically, **Syed Ali (2015)** has studied the status quo and development trend of the overseas engineering markets in the Asia-Pacific (). He believes that the value of construction market potential in the Asia Pacific is expected to reach 105.6 billion USD by 2020, with a compound annual growth rate of 10.4% (). What is worth mentioning is that the compound annual growth rate of Chinese construction market potential will rise to 11.8% by the end of 2020 (). This progress will be the main driving force for the development of the construction industry in the Asia Pacific. Besides, according to the research of Asian construction industry in 2014, **White R. (2015)** also believed that Asian countries have become the fastest-growing areas in terms of the construction industry (). As for Indonesia, the construction expenditure in 2014 accounted for more than a quarter of the country's GDP, of which the half were used in infrastructure construction (). Apart from these researches on general potential of construction market, the information of Asian infrastructure market can also be gathered **from other perspectives**. For example, **Jin W. (2013)** used Real Options Approach to analyze the financing of the infrastructural

construction for water transportation in China (). Through expounding the limitations of the NPV approaches and the advantages of the Real Options Approach in project appraisal, this research proved that the infrastructural construction for water transportation in China has a large market space for development (). Due to such factors as urbanization and population growth in Indonesia, the Philippines, Malaysia and Thailand, **Frost and Sullivan ()** released a “Asia Pacific Construction Market” report in 2014. And he pointed out that the value of construction market potential in Southeast Asia will reach its peak in the future. It is found in the financial reports of **Evergrande in 2013** that the revenue in Asia Pacific construction market reached 494.49 billion USD by 2013. By 2018, it is predicted to rise to 750 billion USD.

In addition to the Asian market, some scholars have also conducted the research on market space of infrastructural constuction in other regions. **Antonelli and Bencivelli (2014)** specifically analyzed the status quo and demand of infrastructure in seven emerging countries (Brazil, China, India, Indonesia, Mexico, Russia and Turkey). It is found that the above seven countries all have promising domestic infrastructure markets (). With the substantive requirements for public infrastructure investment, it is of undeniable strategic significance to an enterprise to increase the transactional and transformational capability (). However, as for contractors, there are still some places that are not suitable for the enlargement of infrastructure construction marketing. **Hart (2011)** discussed the prospects of BIS Shrapnel company in Australia and explained that the scale of the infrastructure construction market in Australia is gradually shrinking, and the number of completed infrastructure projects is decreasing

accordingly (). Similarly, through research on the status quo of infrastructure development in Africa, **Paul and James (2015)** pointed out that the main reason for the backward infrastructure in Africa is the lack of funds leading to maintenance and new construction projects. The solution to this dilemma is to expand financing and to increase investment in infrastructure construction projects. Therefore, it is obvious that the market potential of infrastructure construction in the Asia Pacific are much promising than that in Africa or other regions.

2.2.2 Foreign Entry Models

As the OBOR initiative has stepped into the implementation phase, **how to choose the suitable markets to develop new projects** is a prior issue for construction firms to take seriously. Besides, the entry mode will directly affect the operation mode, business strategies and profitability of enterprises after entering the bigger international market (). In other words, the entry mode plays an important guiding role in making the correct decisions for the **long-run development of** enterprises. Generally, practice has proved that a suitable entry mode is of great significance to the successful entry of enterprises into the potential markets. Under the strong effect of the OBOR initiative, the company will achieve leap-forward development by exploring and integrating into the international infrastructural construction market (). On the contrary, if the entry mode is not properly selected, it may cause chain loss to the company and seriously impede the internationalization strategy ().

In this dissertation, **entry mode** is defined as an institutional arrangement that enables

the services, technology, business models, management systems and other resources of the company to match with the environment of a foreign market (). In recent years, scholars from different countries have studied the foreign market entry mode theory **from different perspectives**. By using China's investment panel data, **Haiyang Chen (2002)** studied the theory of transaction cost and suggested that there are many factors that influence the choice of entry mode such as patent assets, potential market potential, cultural differences, capital intensification and long planning period (). In addition, **Chuan Chen (2008)** proposed several factors that influence the selection of entry modes, including cultural differences, international trade barriers, host market potential, investment risks and competition effect (). By establishing a selection model of entry mode, **some researchers** also provided other indicators to help firms choosing the suitable one; but this model cannot support all the assumptions in their research ().

Apart from analyzing **the theoretical factors** that affect the specific selection, researching **the policies and backgrounds of each market** will largely reduce the investment risks for the international companies. Through conducting the detailed surveys and collecting the related data, **Florence Yean and Yang Ling (2005)** explicated the entry modes of international construction companies entering into the Chinese markets. Among the strategies applied by such firms, establishing a wholly-owned subsidiary in the Chinese market is the most effective mode to entry (). Developing the differentiated competitive advantages by providing professional services especially matters for overseas companies that tend to enter the Chinese market. Compared with

such mature market, the emerging market represented by the Russian construction market is more applicable to the companies in newly-developed countries (). **Panibratov (2009)** has studied the strategies of these successful companies and combined them with the researches on environmental impacts (). The general characteristics of entry modes applied by these firms are owning at least one of advantages such as the advanced construction technology, the professional enterprise management and the capability of developing unique projects.

After acknowledging the diverse external factors that affect the foreign market entry mode selection, how to identify these factors as indicators to statistically analyze the data collected is a critical issue for this research. **Dirk Morschett (2011)** and colleagues used meta-analysis data from 72 independent studies to identify external factors that influence market entry strategy (). The scholars believed that entry mode selection cannot rely on single variables, given that selecting a suitable market entry model is a key yet complex strategic choice (). Hence, the research should explore the combined effects of different variables on the basis of a multi-level theoretical system.

2.2.3 A summary of Research Content

In summary, most of the existing literatures on **infrastructure market potential** only emphasize the macro background of the relevant governments and financial institutions, but ignore the status quo of the infrastructural construction performance in target markets. Besides, although the amount of these researches is substantial, the amount of researches that contain sufficient direct data and quantitative analysis is

generally small. Accordingly, it is impossible to carry out the comprehensive researches on the selection of corresponding market entry mode as well. As a result, the international company may blindly enter an unsuitable market without the comprehensive analysis of target market, resulting in a flawed business strategy from the beginning. Therefore, it is found that the lack of systematic analysis of infrastructural construction market potential in terms of the countries along the route can be regarded a**s a research gap**.

The scholars of the researches on the **entry mode** of international construction companies mostly focus on the influencing factors towards entry mode selection. However, the most classification schemes of entry modes are limited to the organizational form, which can barely provide extensive significance for firms with different scales and investment plans. What is worth mentioning is that most of the existing literatures only refer to the issues of entry mode in isolation. It is found that few scholars incorporated the concepts of market potential and entry mode. During construction, international contracting companies often need to consider various factors when setting the business strategies for a new market, of which market potential exploration and entry mode selection are key aspects. From the perspective of methodology, systematically combining the quantitative analysis of market potential with the micro-analysis of business entry modes as a unified and mutually influential compound is a**n another gap** in current researches. As these two factors have a certain degree of inner unity, companies need to systematically analyze the strategic framework of the OBOR initiative and consider what kind of market is

beneficial for them to enter; afterwards, choose the suitable entry mode to maintain the long-term development. Hence, it is also of great theoretical and practical significance to carry out a comprehensive research incorporating the concepts of market potential and entry mode, in terms of infrastructural construction markets along the route of the “OBOR” initiative.

Based on the above discussion, this research proceeds to systematically analyze the market potential of 62 countries along the route and the entry mode that companies need to seriously consider about, within the specific background of OBOR initiative. By so doing, the research questions put forward in the first chapter will be answered.

3 Methodology

This paper is primarily constructed through an **interpretative methodology** and the **statistical analysis of the secondary data**. From the respective literatures and information researched, the author tries to integrate the collective supporting concepts with author’s critical arguments. Elaborating the two main research questions in this paper (e.g. market potential and entry mode), the author uses an intuitive and deductive approach to present the arguments.

What is worth mentioning is that by analyzing the existing researches on infrastructural construction performance, this paper poses an issue in infrastructural construction industry, especially with the background of the “OBOR” initiative. That is, whether there is a type of countries along the route of the “OBOR” initiative is specially not conductive to development for multinational companies or not. Accordingly,

whether it is possible for these companies to adopt a scientific entry mode to mitigate the disadvantages of such markets or not are also need to be tested afterwards. To do the research towards these questions, utilizing the diverse models (e.g. **Standard Scores Model, Boston Matrix, Bowman's Strategic** Model) and the statistics methods (e.g. **SPSS Statistics**) to do the quantitative analysis of the infrastructural construction performance is imperative and it is emphasized in the analysis section. Besides, the qualitative analysis of entry mode is also elaborated by using **histograms and diagrams.**

3.1 Standard Scores Model

The Standard Scores Model was developed in 1968 by Edward I. Altman, an assistant professor of finance at New York University. The model was initially used to predict the size of a company's bankruptcy. With the evaluation of financial balances in substantial companies, this model can evaluate the financial health of a certain specific company. The purpose of Standard Scores Model is to process variables of different dimensions. These variables may have different means and standard deviations but they can be transformed into the same standardized interval to realize the comparison between different variables. By doing so, the level of national infrastructure construction in the countries along the Belt and Road route will be evaluated.

3.2 SPSS Statistics software

To research the difference and similarity of infrastructure construction performance in 62 countries, it is necessary to classify the whole into several groups, of which the

countries in one group have much similarity with each other than with others in other groups. Simultaneously, the difference among groups need to exist clearly as well. Based on the total scores obtained from the calculation, the author will use the method of **Hierarchical Cluster Analysis by SPSS Statistics** to do the macro analysis. Thus, the section 4 will also show the specific process of the data analysis

3.3 Boston Matrix

Based on the 4 identified indicators (e.g. Transport, Water Intake, Energy (per person), Information and Communication), the infrastructural construction performance of countries along the route will be thoroughly evaluated and a classification result will be shown by **the Boston Matrix**. The Boston Matrix is a tool that companies normally use to decide how to manage their portfolio of businesses, brands and products. It helps companies to pool resources and analyze their strategic positions. In general, there are only two determinants in the Boston Matrix, namely the current performance and potential market space of the product. The purpose is to enable the company to adopt different decision-making methods by analyzing the different quadrants in which the options are positioned, and to eliminate the bad options with a better choice. However, potential risks are uncertain factors that construction companies must attach great importance to; and various types of national markets have diverse risks such as natural risks, social risks, political risks, economic risks, and technical risks. Therefore, the Potential Risk factors are also added to the Boston Matrix, forming a three-dimensional Boston matrix in section 4.

3.4 Bowman’s Strategic Clock (SCM)

The Bowman’s Strategic Clock (SCM), established by Cliff Bowman, is a mediating tool for corporates to build market entry strategy. This model enables managers and consultants to mainly consider the competitive advantages of the company. Combined Porter's Competitive Strategy, Bowman believed that a company's competitive capability is related to low cost or differential products. However, with the significant background of the “OBOR” initiative, it is also beneficial to accurately understand the position of the company in domestic and foreign competitors. Therefore, the Bowman Strategic Clock is an effective method that can be used in the analysis of entry mode in section 4.

4 Analysis and Results

The route of the OBOR initiative runs through Asia-Europe and Africa, linking the active East Asian Economic Rim with the economy of the developed European nations (). The most countries involved between East Asia and Europe have huge potential for economic development. After the discussion of the existing researches, this chapter will use the **Standard Scores Model and SPSS Statistics software** to quantify the status quo of infrastructural construction performance along the route based on **the data of global infrastructure construction in 2014 released by the World Bank**. Specifically, based on the identified indicators, the relative scores of the national infrastructural construction performance in each country will be obtained. As the basis for the

classification of market types, the infrastructural construction performance of countries along the route will be thoroughly evaluated and a classification result will be shown by **the Boston Matrix**. Thus, it can be found whether a group of countries along the route of the "OBOR" initiative is specifically not conductive to development for multinational companies. Moreover, by comprehensively discussing the entry mode based on **Bowman's Strategic Model**, whether it is possible for international companies to adopt a scientific entry mode to avoid the failure of investment in such market can be answered as well.

4.1 Data sources and the establishment of indicators system.

The national infrastructure along the "Belt and Road" is the basic foundation for the development of national economy and people's living standard. Based on the reports from the world bank, this research selects 62 countries along the route and divides the general infrastructure projects into four categories: traffic and transportation projects, water intake projects, power generation projects and communication engineering projects (). According to the data of global infrastructure construction in 2014 released by the World Bank, this paper will focus on the macro classification of infrastructure projects and eliminate the non-traditional infrastructure projects (). Then, 4 first-class indicators and 20 second-class indicators will be generated. The 4 first-class indicators are as follow:

1- Transport engineering (Transport)

2- Water intake engineering (Water generation)

3-Power generation engineering (Energy (per person))

4-Communication engineering (Information and Communication)

4.2 The Standard Scores Model

4.2.1 The Standardization of the Initial Data

The data used in this research is derived from raw data from different industries in different countries. So the raw data should be regarded herein as the raw scores. However, from a horizontal perspective, it can be seen that the 4 major types of infrastructure data in the same country have different dimensions and cannot be calculated by adding them. From a vertical perspective, different countries have different status quo of infrastructure development in the same category. Especially, the infrastructure development of some developed countries and that of most developing countries is obviously at a different level. Thus, comparing the relevant data directly loses its significance indeed. To solve this problem, it is necessary to standardizing the collection of the raw data to obtain the standard scores, which can indicate the relative status of the raw scores. The standard score is influenced by subjective factors only while free of the influence of such objective factors as the degree of difficulty and the degree of differentiation. By doing so, the processed standard scores have the ability to realize the effective combination of data, and better explain the meaning of the data. The calculation formulas are shown in Formulas 3-1 and 3-2:

Equation (3-1): $Z_{ij} = \frac{x_{ij} - E(x_j)}{\sqrt{\sigma_j}} \quad (1 \leq i \leq 62, 1 \leq j \leq 20)$

Equation (3-2): $E(x_j) = \frac{1}{n}\sum_{i=1}^{n} x_{ij} \quad (1 \leq i \leq 62, 1 \leq j \leq 20)$

Variables	Implications
Z_{ij}	The non-dimensional data of the indicator j in i country
x_{ij}	The raw data of the indicator j in i country
$E(x_j)$	The mean of raw score of the indicator j in 62 countries along the route
σ_j	The variance of raw score of the indicator j in 62 countries along the route

4.2.2 The Calculation of the Standard Scores

As the value of $E(x_j)$ may be bigger or smaller than that of x_{ij}, it can be seen that Z_{ij} can be negative in some ways. To calculate the standard scores, it is necessary to convert all Z_{ij} to be positive.

Equation (3-3): $Z'_{ij} = \frac{Z_{ij} - minZ_{ij}}{maxZ_{ij} - minZ_{ij}} \times 100 \quad (1 \leq i \leq 62, 1 \leq j \leq 20)$

$$Z'_{ij} \in [0\ ,\ 100]$$

Variables	Implications
Z'_{ij}	The standard score of the indicator j in i country

$minZ_{ij}$	The minimal raw score of the indicator j
$maxZ_{ij}$	The maximal raw score of the indicator j

4.2.3 Index Weight

In the multi-index comprehensive evaluation, index weight is a key factor that distinguishes the influence of each indicator from the other index. When the index weight coefficient tents to change, the degree of dispersion between the data will be change accordingly, especially with the positive correlation. Besides, it is well-known that the mean squared error (the standard deviation) is a variable commonly used in mathematical statistics to characterize the degree of dispersion. The larger the mean square error, the more discrete the variables are. Thus, this paper will use the mean-squared deviation weight method to determine the weight coefficient of each indicator. The calculation process is shown in the equations below.

(1) Calculate the average value of the same item of secondary indicators.

Equation (3-4): $E(Z_j') = \frac{1}{n}\sum_{i=1}^{n} Z_{ij}'$

(2) Calculate the variance of the same item of secondary indicators.

Equation (3-5): $\sigma_j' = \sqrt{\sum_{i=1}^{n}\left(Z_j' - E(Z_j')\right)^2}$

(3) Calculate the weight of j index.

Equation (3-6): $W_j = \frac{\sigma_j'}{\sum_{j=1}^{n}\sigma_j'}$

Variables	Implications

$E(Z_j')$	The mean of the standard score of indicator j in 62 countries
σ_j'	The variance of the standard score of indicator j in 62 countries
W_j	The weight of the indicator j
n	The number of countries

After calculation, the weights of the second-class infrastructure construction indicators are shown in the table below.

Figure 4 The Weight of Infrustructure Construction Indicators

Class-one Indicators	Class-two Indicators						
X1	X1-1	X1-2	X1-3	X1-4	X1-5	X1-6	X1-7
	3.79	4.36	5.21	3.41	4.22	3.96	3.38
X2	X2-1		X2-2		X2-3		
	4.07		4.13		3.18		
X3	X3-1	X3-2	X3-3	X3-4	X3-5		
	5.44	4.89	4.81	6.25	5.97		
X4	X4-1	X4-2	X4-3	X4-4	X4-5		
	5.89	6.24	6.99	6.97	6.84		

4.2.4 The Calculation of the index evaluation scores

Through the above discussion, the standard scores of each indicator (Z_{ij}') and the weights of each indicator (W_j) are obtained. Then, the author will use the Weighted Average Method to calculate the scores of each infrastructure construction indicator in 64 countries along the route.

Equation (3-7): $P_{ik} = \sum_{j=1}^{n} W_j \times Z_{ij}'$

Figure 4-5 the scores of the infrastructure construction indicators		
Variable symbols	**Implications**	
Pik	The score of the indicator k in i country	
k	k=1 Transport engineering	k=2 Water intake enginee
	Power generation engineering (per person)	=4 Communication engine

From the calculation above, the scores of such infrastructure construction indicators are obtained. For the comparison among them, the author will assign the highest scores of each indicator in one country to 100 points; then, the other countries are assessed accordingly. The specific appraisal process is as follow.

Equation (3-8): $P'_{ik} = \frac{P_{ik}}{\max P_k} \times 100$

Figure 4-6 the scores of the infrastructure construction indicators	
Variable symbols	**Implications**
Pik'	The final score of the indicator k in i country
Pk	the score of the indicator k in 64 countries

By doing these calculations, the accessing scores and rankings of the infrastructure status quo in each country along the route will be obtained. (As shown in figure 4-7.)

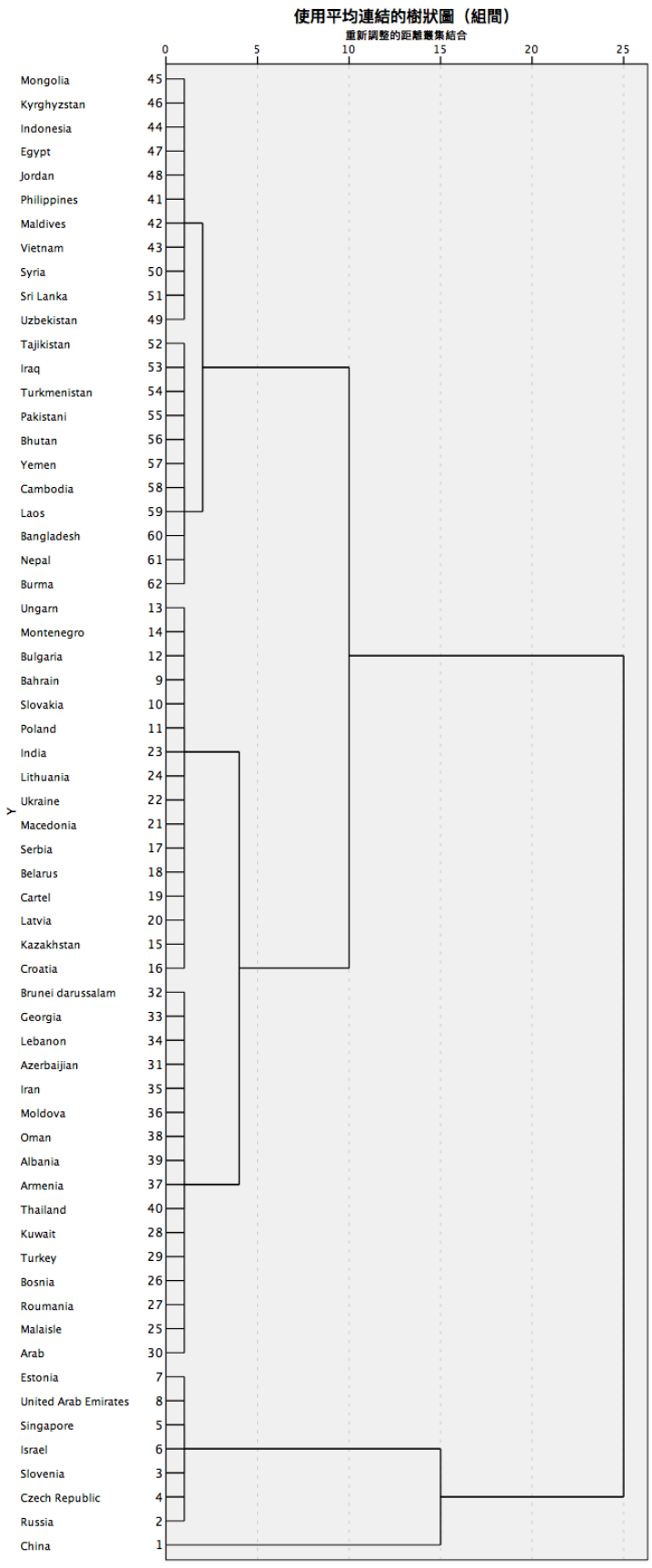
Figure 4-7 The Accessing Scores and Rankings of Infrastructure Construction Performance in 64 Countries Along the Route

Country	Total Score	Ranking	Sub-sector Score and Ranking							
			Transport	Ranking	Water and Sanitation	Ranking	Energy (per person)	Ranking	Information and Communicat	Ranking
China	100	1	100	1	100	1	61.87	9	85.42	5
Russia	72.33	2	66.54	2	70.22	4	60.05	10	63.56	16
Slovenia	70.02	3	25.33	40	27.6	47	100	1	92.1	3
zech Republic	67.97	4	38.98	20	44.35	32	94	2	82.94	7
Singapore	66.27	5	48.8	9	18.86	58	20.19	32	97.7	2
Israel	65.34	6	36.88	25	41.74	35	62.88	8	87.2	4
Estonia	63.66	7	21.34	45	35.79	38	9.77	56	100	1
ed Arab Emirate	62.96	8	52.48	3	41.32	36	29.42	24	64.12	15
Bahrain	55.3	9	27.84	37	22.26	55	42.97	17	72.43	12
Slovakia	55.11	10	33.78	30	24.76	52	76.15	4	67.87	13
Poland	54.34	11	48.2	12	64.3	17	54.4	13	66.66	14
Bulgaria	53.46	12	33.89	29	55.92	23	72.78	5	62.45	17
Ungarn	53.06	13	41.18	18	49.1	27	49.57	15	82.53	8
Montenegro	52.99	14	4.95	62	16.86	57	86.31	3	51.05	24
Kazakhstan	49.11	15	46.52	15	58.77	19	69.18	7	49.83	26
Croatia	48.6	16	30.07	34	30.19	43	42.45	18	75.61	9
Serbia	47.54	17	34.23	27	47.83	29	69.47	6	58.7	18
Belarus	47.38	18	37.96	24	50.83	25	17.26	41	83.17	6
Cartel	47.19	19	48.96	8	19.3	57	40.15	19	57.96	19
Latvia	47	20	31.64	32	25.57	50	34.1	23	74.23	10
Macedonia	44.75	21	13.3	57	32.52	41	58.77	11	53.8	21
Ukraine	44.2	22	47.08	13	66.9	8	58.4	12	43.74	31
India	43.9	23	50.42	5	81.32	2	18.24	39	11.96	53
Lithuania	43.76	24	25.88	38	43.86	34	19.74	34	73.87	11
Malaisle	40.72	25	49.2	7	63.1	15	39.88	20	48.23	28
Bosnia	39	26	14.1	56	34.1	39	53.59	14	51	25
Roumania	38.42	27	40.5	19	56.12	22	35.66	21	52.9	22
Kuwait	37.9	28	25.88	39	26.27	48	43.38	16	42.25	34
Turkey	37.64	29	48.72	10	67.68	6	24.73	29	43.1	32
Arab	35.35	30	46.9	14	55.44	24	19.47	36	43.74	30
Azerbaijian	32.79	31	24.1	43	48.6	28	13.59	44	55.06	20
unei darussalam	31.71	32	18.62	50	15.38	61	21.59	31	41.12	35
Georgia	31.44	33	24.53	42	31.1	42	25.39	28	49	27
Lebanon	30.78	34	19.21	49	26.27	49	19.8	33	47.8	29
Iran	29.65	35	45.45	16	66.14	10	17.7	40	42.93	33
Moldova	29.41	36	16.3	53	28.61	46	10.65	53	52.9	23
Armenia	28.9	37	15.6	54	45.91	30	22.17	30	35.82	37
Oman	28.41	38	31.56	33	22.7	54	18.66	37	37.44	36
Albania	28.27	39	16.3	52	33.97	40	35.59	22	35.64	38
Thailand	27.26	40	51	4	64.9	12	19.68	35	27.55	42
Philippines	25.48	41	38.04	23	67.23	7	10.33	54	35.41	39
Maldives	24.94	42	5.09	61	14.91	62	10.72	52	32.4	40
Vietnam	24.11	43	38.63	22	64.57	13	18.29	38	28.35	41
Indonesia	22.81	44	50.22	6	70.23	3	13.73	43	16.92	50
Mongolia	22.24	45	19.42	48	21	56	27.33	27	17.03	49
Kyrghyzstan	22.23	46	15.45	55	43.97	33	28.9	25	16.66	51
Egypt	20.81	47	43.8	17	66.33	9	11.78	51	20.66	45
Jordan	20.56	48	28.16	36	24.76	51	15.46	42	23.94	44
Uzbekistan	18.85	49	35.57	26	63.46	14	13.088	47	19.29	47
Syria	18.41	50	25.14	41	57.22	21	9.93	55	24.44	43
Sri Lanka	18.21	51	32.15	31	49.31	26	12.4	50	20.59	46
Tajikistan	14.18	52	8.6	59	45.74	31	28.31	26	9.36	57
Iraq	14.05	53	20.35	46	65.35	11	12.73	48	6.76	60
Turkmenistan	13.9	54	28.45	35	57.45	20	13.1	46	10.48	56
Pakistani	13.48	55	38.88	21	68.22	5	13.23	45	6.3	62
Bhutan	11.54	56	5.46	60	15.96	60	8.79	61	17.7	48
Yemen	11.34	57	16.64	51	28.9	45	9.47	58	14.56	52
Cambodia	11.03	58	21.59	44	24.39	53	8.84	60	7.69	58
Laos	10.3	59	20.27	47	28.98	44	9.52	57	11.14	55
Bangladesh	10.04	60	33.98	28	62.41	16	7.45	62	7.43	59
Nepal	9.11	61	12.33	58	40.23	37	12.57	49	11.41	54
Burma	6.93	62	48.17	11	61.46	18	9.3	59	6.67	61
Total	2248.44									

4.3 The Analysis of the Scores of Infrastructure Status Quo

4.3.1 The General Analysis

It can be seen from the diagram below that the rankings of these countries reflect the status quo of infrastructure construction in 62 countries. However, whereas the certain degree of aggregation is shown by the layered clustering method, it is still not clear of the classification. So the second step is using the method of K-mean Cluster Analysis to classify these countries into 4 groups.


使用平均連結的樹狀圖（組間）
重新調整的距離聚集結合
0
5
10
15
20
25
Mongolia 45
Kyrghyzstan 46
Indonesia 44
Egypt 47
Jordan 48
Philippines 41
Maldives 42
Vietnam 43
Syria 50
Sri Lanka 51
Uzbekistan 49
Tajikistan 52
Iraq 53
Turkmenistan 54
Pakistani 55
Bhutan 56
Yemen 57
Cambodia 58
Laos 59
Bangladesh 60
Nepal 61
Burma 62
Ungarn 13
Montenegro 14
Bulgaria 12
Bahrain 9
Slovakia 10
Poland 11
India 23
Lithuania 24
Ukraine 22
Macedonia 21
Serbia 17
Belarus 18
Cartel 19
Latvia 20
Kazakhstan 15
Croatia 16
Brunei darussalam 32
Georgia 33
Lebanon 34
Azerbaijian 31
Iran 35
Moldova 36
Oman 38
Albania 39
Armenia 37
Thailand 40
Kuwait 28
Turkey 29
Bosnia 26
Roumania 27
Malaisle 25
Arab 30
Estonia 7
United Arab Emirates 8
Singapore 5
Israel 6
Slovenia 3
Czech Republic 4
Russia 2
China 1
Y

Final Gathering Points

	Gathering			
	1	2	3	4
TotalScore	100.00	66.94	20.72	46.21

The number of Points in Each Cluster

Clusters	1	1.000
	2	7.000
	3	32.000
	4	22.000
		62.000
OmittedPoints		.000

It can be seen from the figures above that the first group only contains 1 country (China), which comes out number one in the whole countries in terms of the clustering center. By contrary, the clustering center reflects that the third group refers to the countries with the worst situation of infrastructure construction performance. What is worth mentioning is that the number of countries in this group (32) accounts for more than 50%. In addition, 7 countries belong to the second group, which represents a cluster of countries above the average level of infrastructure. The fourth group includes 22 countries, of which the infrastructure status quo is below the average level. Thus, it is obvious that around 87% of the whole is accounted of the third and the fourth groups. In other words, most countries along the route have the bad situation

of infrastructure construction performance; so they should be the target market for the infrastructure construction companies. From the perspective of the regional distribution, most countries in the third group are located in Southeast Asia, while most countries in the fourth group are located in Eastern Europe.

4.3.2 The Analysis of Sub-Sector Scores

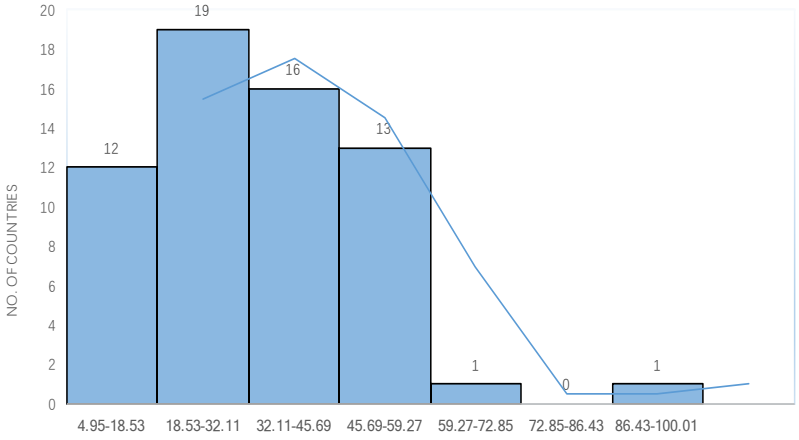
According to the sub-sector scores in terms of 4 indicators, the author will use the statistical histograms to analyze the status quo of each infrastructure sector in 62 countries.

Equation 3-8: $\mathrm{K} = 1 + \frac{\log n}{\log 2}$ (Sturges Equation)

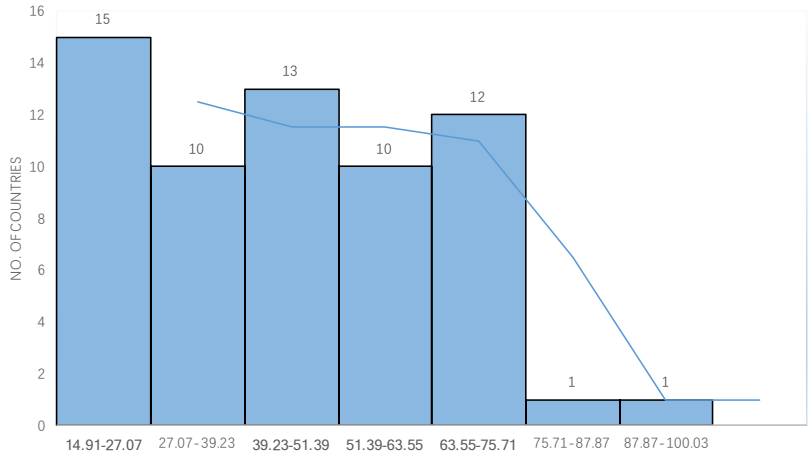
Equation 3-9: $h = (maxp_{ik} - minp_{ik}) \div K$

Thus, $K \approx 7; h_{k=1} \approx 13.58;\ h_{k=2} \approx 12.16;\ h_{k=3} \approx 13.22;\ h_{k=4} \approx 13.39$

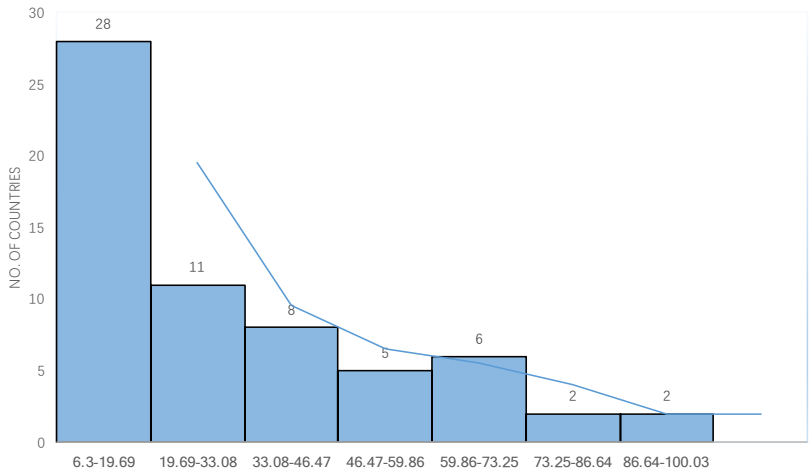
Variable symbols	Implications
K	The number of interval
h	Class interval
n	The number of countries



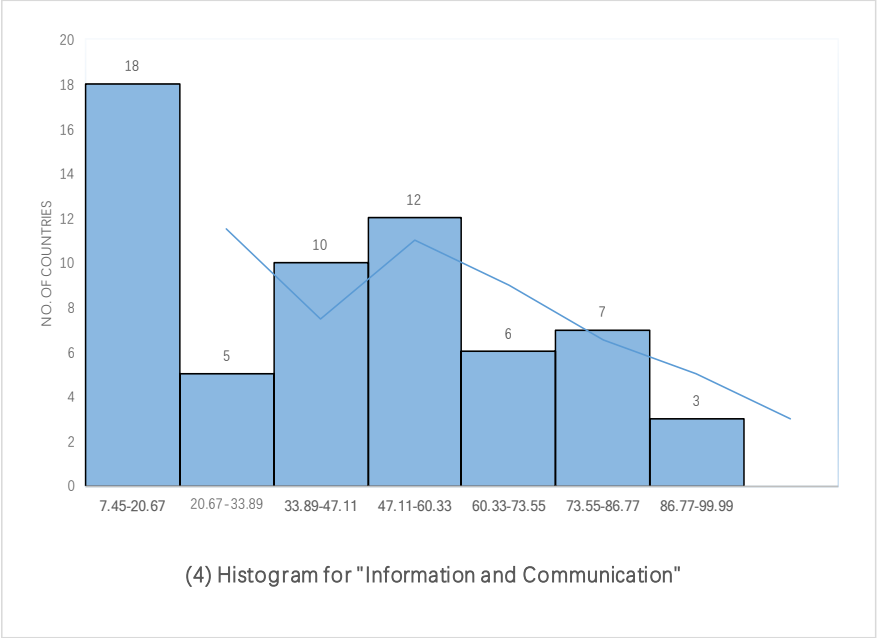
(1) Histogram for "Transport"



(2) Histogram for "Water and Sanitation"



(3) Histogram for "Energy (Per Person)"



(4) Histogram for "Information and Communication"

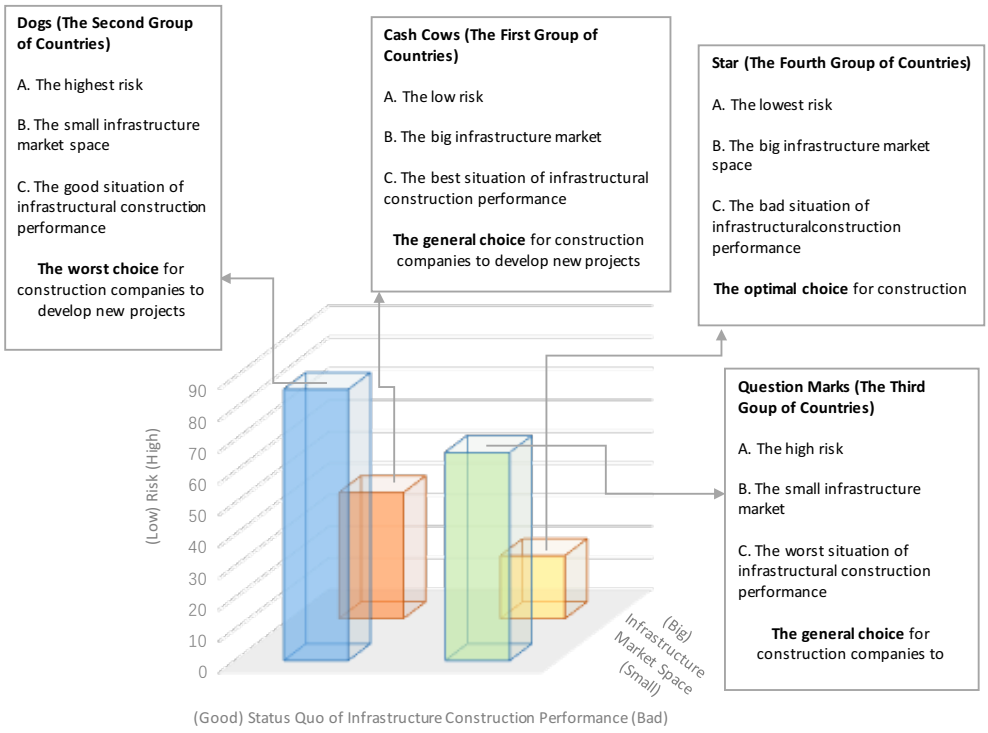
According to the histograms, it can be seen that the status quos of infrastructural construction performance in 62 countries along the “Belt and Road” are quite different. Generally speaking, the peaks of them are all in the left side and the trend lines are all downwards, which mean most of such countries have below-average scores of each indicator. In other words, most of them have below-average level of infrastructure. Especially in the histogram for “Energy (per person)”, the disparity of distribution reflects the different development of energy industry in each country. Therefore, the OBOR initiative should give priority to the infrastructural construction in these countries because of the market potential of infrastructural construction as well as the significance to the improvement of local economy.

4.4 The spatial subdivision of the national construction engineering market along the Belt and Road

Based on the assessment of the status quo of infrastructure in 62 countries along the "Belt and Road" in 2014, the future **market space of construction companies** will be analyzed.

Because developing countries are limited in advanced technology, substantial capital and other aspects, the demand for infrastructure construction can always be the driver for the overseas construction companies with superior capability to develop new construction projects in these regions. With the development of urbanization and the growth of population, such demand is still further enhanced. It is predicted that the demand for infrastructure investment in developing countries will be drove to about 879 billion USD by 2030 (in constant USD in 2010) (). Specifically, these demands are mainly concentrated in the sub-sectors of energy generation (243 billion USD) and transport (254 billion USD), which together account for more than half of the whole (). In addition, information and communication is also an important area of investment, with the demand of about 172 billion USD ().

Most of the investment demand will be concentrated in East Asia and South Asia. In 2030, it is forecasted that the investment demand in these two regions will be approximately 501 billion USD as a whole. Simultaneously, most of countries along the "Belt and Road" have established infrastructure investment plans, which intend to open up overseas markets for international construction companies. Thus, in order to further study the potential market space, this paper proposes a three-dimensional Boston Matrix for the market space of the countries along the route, as shown in Figure 3.5.



Boston Matrix for Infrastructure Market Potential in 62 Countries Along the Belt and Road

4.4.1 Cash Cows

The “cash cows” market refers to the market of which capacity has become saturated; but companies can still occupy a large share in such markets and obtain considerable profits by relying on their own competitive advantages such as advanced technology and brand effect.

The first group of country (China) has a large economic aggregate. And the investment in infrastructural construction has continued to maintain a high level in recent years. Specifically, except for the transactional capability of local enterprises, many resources such as foreign capital and advanced technology have also been introduced in Chinese infrastructure market. So the infrastructure construction performance is always

developing rapidly, though the ceiling effect has been enhanced accordingly. Besides, due to the large scale of Chinese market and the rapid update of infrastructure, the opportunities for infrastructural construction investors are relatively moderate. What is worth mentioning is that Chinese construction companies have a relative low risk for investing in such infrastructure market as they are familiar with native backgrounds such as policy, culture and laws. And after a long-term accumulation of experience, they have formed a certain industrial standard in such countries. Thus, if they can occupy a certain share of this kind of market, it will be beneficial to the development of enterprises in long run .

4.4.2 Dogs

The features of the “dogs” market is low market growth rate, small market space and average profit margin. As for the companies in such market, it is necessary to adjust the previous business strategy to purse the maximum value of investment. By reducing the amount of resources invested and transferring the remaining resources to other types of markets, they can decrease the risk of investment and improve the efficiency of infrastructural construction.

The second group of countries generally have good infrastructural construction performance, given that most of them are developed countries with relatively good economic base. However, although most of them belong to high-income countries, the market development space of infrastructure is not substantial as the system of infrastructure is relatively complete. It is obvious that the ceiling effect and the

advantages of local companies will lead the overseas companies to lose their competition. Moreover, due to the better economic and legal environment in this group of countries, the influx of overseas investors has caused the competition to be extremely fierce. It is shown that the market space for infrastructure construction in such countries has gradually shrunk (), which results in the more stringent conditions of entering into such markets for the target countries. In this way, the profit margin of construction companies has been continuously compressed, and especially the survival risk of overseas companies has been increasingly enhanced. To be summarize, the “dogs” market can be referred as the worst choice for overseas companies to develop the new projects.

4.4.3 Stars

As for a “stars” market, it is likely to become a “Cash cow” market in the future due to its feature of high-growth rate and high profitability. In such market, companies need to do enhance investments to support their development of business models. The companies positioned in this group of countries can be labelled as the leaders in high-growth markets of infrastructure sector, in terms of their responsibility to the target countries and the promising development of company scale.

The fourth group of countries accounts for around 50% of the total number of countries along the line, which can be regarded as the optimal choices for overseas construction companies to develop new projects. Because the backward infrastructure seriously restricts the economic development of these countries, the cash effect

cannot be avoided unless the status quo of poor infrastructure is totally changed. Thus, with the strongest demand for infrastructure development, these countries have huge market development space. Besides, the companies in this type of market have small risk for developing new projects due to the substantial development opportunities. Therefore, it can be concluded that the infrastructure market potential is huge in this group of countries. In order to increase the market share and strengthen the own competitive capability, the international construction companies should actively expand the investment and concentrate their advantageous resources in such markets. Therefore, considerable profits are able to be obtained in the long run.

4.4.4 Questions Marks

The degree of infrastructure development in the “question marks” market is significantly lower than that in the “cash cows” market and the “dog” market. In other words, the third group of countries generally has the relatively low levels of infrastructural construction performance and economic development among these four categories. According to the general scores and classification obtained in the third chapter, it can be seen that most of these countries are low-income countries with backward infrastructure development. In turn, backward infrastructure has simultaneously restricted the development of national economy. Thus, with the high market risk to adapt into the weak strength of local economy and the inadequate law, these overseas companies are provided with limited opportunities to develop new projects in such area.

In addition, it can be known from the reports that such countries have not effectively invested in infrastructure for a long time mainly due to the economic and political issues. Nowadays, it may be a good opportunity to vigorously develop infrastructure projects and promote economic growth in such countries during the implementation of the OBOR initiative. Nevertheless, from the perspective of international construction companies, the “question marks” market is not the optimal choice to invest new projects in comparison with the “star” market.

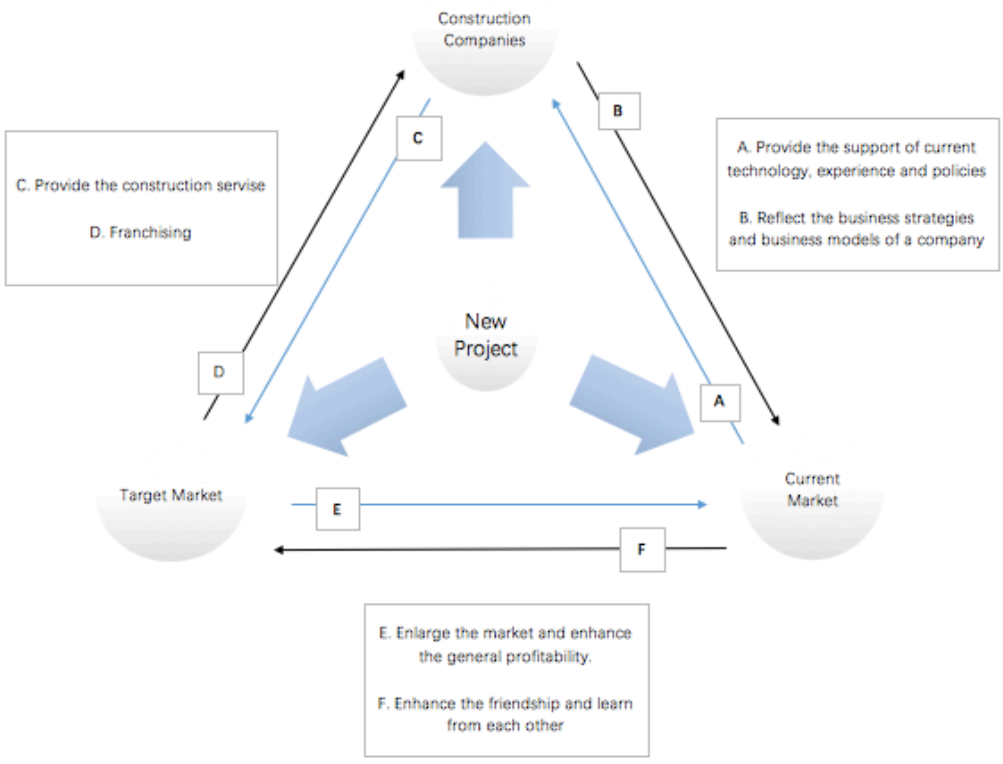
5. Entry Mode (Entry Mode strategy)

Based on the systematic analysis of infrastructure construction market along the “Belt and Road”, it can be seen that some countries along the route are not suitable for the overseas construction firms to develop new projects or enlarge the investment indeed. However, if the overseas construction firms invest new projects in such countries, it cannot be ensured that whether these projects will certainly be failed or not. That is because building an adaptable entry mode for a new market is significant for overseas companies to maintain the profitability in the future. So this chapter will explore the different entry strategies that companies in different types of market tend to have, so as to acknowledge whether each type of market is suitable with own effective entry mode so as to earn profit in the future.

5.1 The Relationships among home market (current market), target market and company

With the background of the “OBOR” initiative, an international company need to consider the relationships among the home market, the target market and the firm itself when it plans to implement new construction projects in a new environment. That is because these components influence each other and codetermine the future market potential of infrastructural construction. Acknowledging these relationships is the first step to build an effective entry mode for firms.

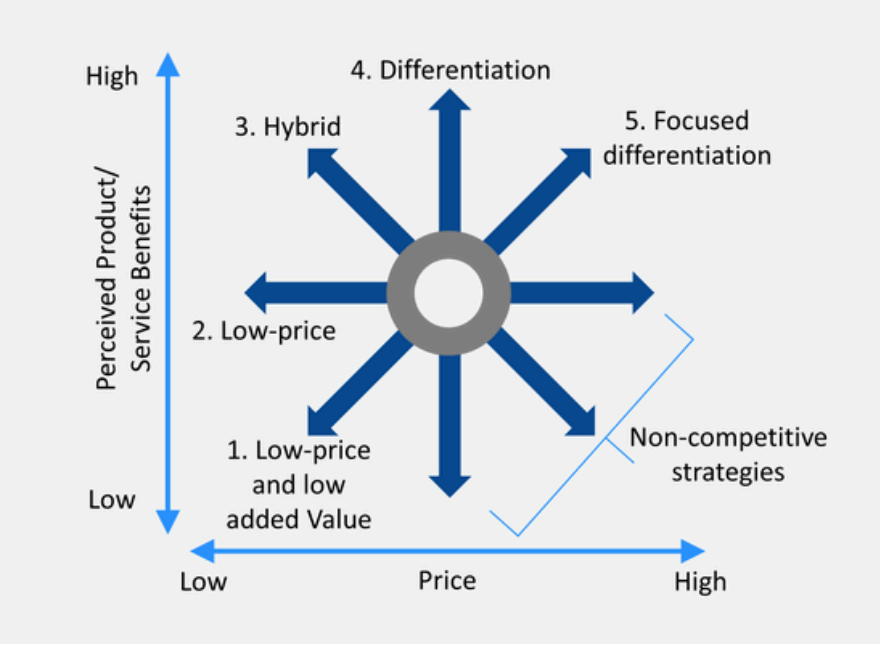
As shown in the diagram below, this model explains how these three components (home market, target market and company) influence each other and responsible for the project. First, Second, Third,

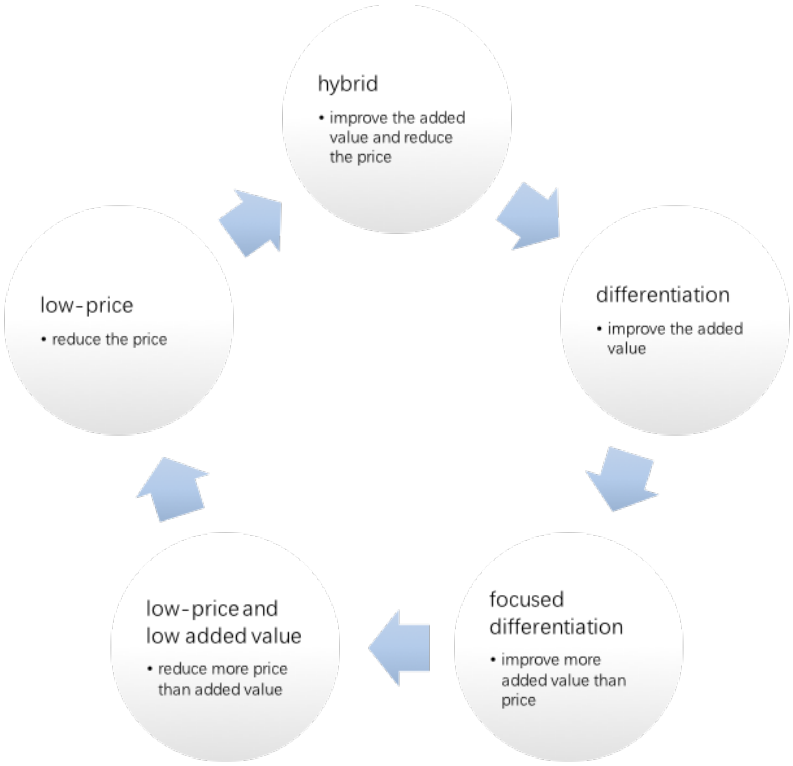


The Relationships Among the Objects in Infrastructural Construction Projects

5.3 The market entry mode based on the strategic bell model.

It is assumed that the different companies that plan to enter the new markets along the "Belt and Road" are basically similar in applicability to the construction products and services in a certain project. Thus, a company will win the bid due to the following two reasons: (1) The price of the infrastructure product or service provided by the enterprise is lower than that of other bidders (ie. the lower price factor). (2) The added value of the infrastructure product or service provided by the enterprise is higher than that of other bidders (ie. higher value-added density). If the price and value-added of construction products or services are dialectically considered, the company will choose one or more of the following 8 ways as the market enter mode to complete the business in a new market along the route.





Based on the consideration of both price and added value, the common entry modes can be divided into 5 feasible types (as shown in the diagram above), except the non-competitive strategies. The company that tends to invest in a new market need to choose an adaptable one in terms of the features of target market. Through determining the features of each type of entry modes, the research will explore whether one type of them is tailored to the "question marks" market, which is not suitable for international companies to implement new projects.

5.3.1 The "Hybrid" Entry Mode

According to the explanation in the diagram, it is general that the "hybrid" entry mode can be regarded as the optimal one that is suitable to each type of market for

international contractors in competition. By providing the high quality product and services, these companies still maintain the low price, which requires they have both transactional and transformational capability to acknowledge the demand of target market. By such, low competitive pressure will be encountered by the companies with this kind of entry mode.

5.3.2 The “Low Price” Entry Mode

The “low-price” entry mode is always applied by the companies which are able to maintain the general quality of product and service with the lower price. Accordingly, their target markets (the “dogs” market and the “stars” market.) are mainly in the nations which require the high-quality infrastructure product and service. However, it is suggested that these companies should pursue the increasing business volume while maintaining the low-price advantage. Otherwise, price wars usually enable enterprises to lose money in long term.

5.3.3 The “Differentiation” Entry Mode

In addition, the “differentiation” strategy is a type of entry mode that companies tend to provide the differentiated product and service to form the competitive ability, then to largely enhance the added value of product and service with the same price. It is general that most developed countries along the route have the strict requirement of infrastructure quality; most of them belong to the “cash cows” market and the “dogs” market. As for the firms in these markets, how to achieve the innovation of technologic

skills and management methods to enhance their competitiveness is exactly the only way to pursue a long-term development.

5.3.4 The “Focused Differentiation” Entry mode

Compared with this type of entry mode, the “focused differentiation” strategy is attached to the countries with much higher economic strength. Although the feature of this type of strategy is labeled with both high price and high added value, the increase of value is much bigger than that of price. To get a high quality infrastructural construction, it is beneficial for them to let superior companies to develop infrastructure projects. Hence, most “cash cows” countries and some “dogs” countries may be the target markets towards companies with “focused differentiation”. From the perspective of enterprises, some developed countries must be the main potential market in the future, given that the aging infrastructure are increasingly required to be updated to catch up the economic development.

5.3.5 The “Question Marks” Market and the “Low Price and Low Added Value” Entry Mode

Generally speaking, most nations belonged to the type of “question marks” market have the backward economic development. With the limited fiscal revenue and inadequate foreign investment, these countries normally require the basic function of infrastructure. Thus, even if the decision makers of the target market have noticed the low added value provided by some international contractors with low price, they will

not increase the investment to gain the higher quality infrastructure provided by other contractors with higher price. It seems that “low-price and low value-added strategy” has no advantages in the competition with other entry modes. But it is still possible to enable construction companies to gain profit with the scientific enterprise management.

To summarize, it is highly possible that the overseas companies with “hybrid” or “low price and low value-added” entry modes may achieve success in the investment of new projects in “question marks” market. Hence, although some regions along the “Belt and Road” are not ideal markets for international construction companies to enlarge the business scale, using the suitable entry mode may also enable the companies to gain the opportunities of developing further in a long run.

6. Conclusion

The “Belt and Road” initiative takes infrastructural construction industry as a priority area, which comprehensively promotes the regional economic growth and rapid development of integration. Taking the “OBOR” initiative as the background, this research studies the infrastructural construction performance of 64 countries along the route. Based on the preceding discussion, this paper systematically elaborates the classification of 4 groups of countries along the route of the “OBOR” initiative. The analysis on the approach and result of classification indicates the answer of the first research question. That is, some countries in the third group (the “question marks” markets) are specifically not conductive to development for international

infrastructural construction companies indeed. However, this research points out that each type of market can be tailored with the suitable entry mode in terms of the factors that influence the company's selection. Then, the second research question is thus explained. Not only the "hybrid" entry mode, but also the "low price and low added value" entry mode enable the companies to mitigate the disadvantage of the "question marks" market. From above analysis, the main research results can be concluded in the following points.

(1) Through the data analysis with Standard Scores Model, the results of the scores indicate that the third and fourth groups of countries account for more than 85% of the total. That is, in general, the countries with relatively backward infrastructure account for the majority of all countries along the route. According to the statistical analysis based on 4 indicators (transport, water intake, energy per capita, information and communication), the histograms show that the distribution curves of the four types of countries are left-skewed comparing with the normal distribution curves, which indicates the development of sub-sector infrastructure in these countries is uneven and generally lagging behind the normal situation. From the perspective of both the overall and sub-sector situation, it is an indisputable fact that the investment in the infrastructure industry will be active given that the infrastructural construction performance in the countries along the route is generally backward.

(2) According to the 3 factors (e.g. infrastructural construction performance, the market space and risk), this research has divided 64 countries along the route into 4 types of market: the "cash cows" market, the "dogs" market, the "stars" market and

the “question marks” market. Except China belongs to the “cash cows” market, 7 countries such as Russia, Slovenia and other countries belong to the “dogs” market; and the majority of remaining countries belong to the “stars” and “question marks” markets. The common characteristics of the “stars” and “question marks” markets are bad situation of infrastructure but large scale of future investment. Thus, the international contracting enterprises should focus on and enter in the future.

(3) Through constructing the Bowman’s Strategic Clock model of the market entry mode selection, this paper proposes five types of modes (e.g. the “low price and low-added value” mode, the “low price” mode, the “hybrid” mode, the “differentiation” mode, the “focused differentiation” mode and the “non-competitive” strategies). Among them, the “non-competitive” strategies are not conducive to the sustainable development of enterprises from the long-term perspective, which are generally not used by enterprises. In the actual situation, the target country may need different entry modes at different stages of the development of infrastructural construction performance; even at the same stage, it is also possible to adopt one or more entry modes as well. Hence, from the perspective of the international companies, they should comprehensively determine the factors that influence the selection of the target market. Then, only by adopting the appropriate entry mode can they achieve the long-term development in the fierce international competition.

7. Limitations and Suggestions

Based on the analysis and conclusions above, some limitations of this research are

gradually shown and the suggestions for the further research can also be generated accordingly.

Firstly, based on the report of global infrastructural construction in 2014 released by the World Bank, this research directly used the 4 first-class indicators and 20 second-class indicators to quantify the infrastructure market potential of 62 countries along the route. The lack of the procedure of identifying such indicators can be regarded as a limitation of this research. So it is vital to conduct the regression analysis by STATA Statistics software to test the feasibility of these indicators.

Secondly, because of the limitation of research time, it is still hardly to form the systematic analysis of the infrastructure market potential of 62 countries along the route of the “OBOR” initiative just relying on the secondary data. The further researches can collect more direct data in each country along the route, thus enhancing the amount of the data and the accuracy of the analysis.

Thirdly, to make the research to be practical and empirical, the case study of some failed projects in the “OBOR” initiative can be added in this research. By discussing whether the companies in this project have selected the suitable target market and entry mode before in the appraisal phrase of investment, the significance of this research will be tested. In addition, the research questions will be answered in a practical way.

8. Reference