

A Study on Industrial Competition Strategy of "The Belt and Road" based on VRIO Model--Take Taiwan as an example

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ABSTRACT

In recent years, with the rapid rise of mainland China's economy and the promotion of the belt and road's political and economic strategy, its international status and influence have been greatly enhanced, changing the economic and trade map of the region and the world. Especially under the trend of international division of labor, it has become the world's most promising place and market of production. This development trend, Taiwan's industry must do a good job of prevention, especially must actively think of the layout of cross-strait division of labor, to strengthen the cross-strait in the international division of labor status, the effective management of investment risk, to promote Taiwan's economic growth and stability; Moreover, the economic and trade cooperation between the two sides has achieved fruitful results and laid a solid foundation. Such a hard-won situation is worth cherishing by both sides. Taiwan industry should adhere to the spirit and wisdom of the two sides of the Straits of "creating the Chinese dream of the great rejuvenation of the Chinese nation". We should face up to the fact of the mainland's economic rise, give full play to our own advantages, actively establish foreign economic and trade cooperation relations, and enhance Taiwan's industrial development and international competitiveness.

KEY WORDS: Industrial Competition Strategy, Coastal Cities, The Belt and Road.

mechanisms, by means of the existing and effective regional cooperation platform, the belt and road to borrow the history of the ancient silk road signs, exalted banner of peaceful development, actively develop along with the country's economic partnership, to create mutual political trust, economic integration, culture include the interests of the community, fate community and community responsibility.

Taiwan is an export-oriented economy, and foreign trade is the main driving force for economic growth. When the foreign trade situation is good, the export growth is remarkable, the economic growth has the basic guarantee; when exports decline, the economic boom deteriorates. 2016 was the first year that the Democratic Progressive Party (DPP) came to power. However, it did not make any brilliant achievements in economic development. The economic development was still in trouble, and the industry continued to suffer from recession, with the annual economic growth barely maintaining 1. In 2017, Taiwan's economic growth will be around 2%, which means that Taiwan's economy will still hover between 1-2%, representing a persistently low growth rate. According to the observation of Taiwan's major industries and industries, the performance is unbalanced, with continuous negative growth of manufacturing production and low growth of business. There are also great differences among different industries. This shows that the structural development of Taiwan's economy is not solid at all. Taiwan's economic growth is overly dependent on the improvement of exports, which in turn are highly dependent on electronics components, semiconductors and photoelectric industries. This is both a strength and a weakness of Taiwan's industrial and economic development, with higher uncertainties and greater risks in the future. The Chinese economy is The world's powerful engine of economic growth, as "The belt and road" the signing of the agreement and docking ground of the project, bullish on China and around the world by China stimulate global economic outlook, "The belt and road" to build not

I. INTRODUCTION

"The belt and road" is put forward The construction of China "The Silk road Economic belt and The 21st Century - Maritime Silk road" of The political and economic new strategy, attempt to through economic integration as The marked mainland, diplomatic, harmony as weft, construction with China as The core of The global strategy, The board will reconnect The Eurasia, form The span of The largest and longest depth of economic integration and strategic area, mainly will fully rely on China and relevant countries existing multilateral

only benefit the world, and it will bring significant economic opportunities to the development of Taiwan, build global compound foreign economic new opportunities, to provide the vast space of compound foreign economic development because Taiwan economic weakness has lasted for a period of days, but has no way out, Taiwan's transportation, communication and network related enterprises with industrial and technological strength can explore business opportunities in the process of building "The Belt and Road".

II. REVIEW OF LITERATURE

Chen (2016) explained that cross-straits economic exchanges have always been an important fulcrum for the peaceful development of cross-straits relations. In recent years, China has actively carried out the building of the Maritime Silk Road, which has played an important role in sustaining and stabilizing cross-straits relations. Taiwan should start from the actual situation, while ensuring the leading industry to give play to its advantages at the same time change the way of division of labor and cooperation with the mainland, so as to make Taiwan's industrial transformation possible. Hua et al. (2016) analyzed the economic basis of Taiwan's participation in "The Belt and Road", and discussed its participation mode, approaches and China's policies. As an important platform for China's future reform and opening up and economic development, "The Belt and Road" will provide new opportunities for deepening and expanding cross-strait economic and trade cooperation. The study shows that Taiwan has a long-term layout of countries and regions along "The Belt and Road", and has a relatively deep economic cooperation foundation and participation ability within the region, which provides conditions for the two sides to jointly develop The "The Belt and Road" market. With The help of "The Belt and Road" platform, cross-strait economic and trade cooperation will be possible to break through the limitations of previous bilateral economic and trade exchanges, and create a new pattern of jointly opening up third-party markets and participating in global competition.

Zhou (2015) pointed out that "The Belt and Road" strategy has great economic and strategic value for China's sustained economic growth and regional economic cooperation with neighboring regions and Asia. The development of cross-straits economic and trade relations is part of economic globalization and the result of the two sides' joint participation in global and regional resource allocation. Therefore, "The Belt and Road" strategy also provides opportunities and path choices for both

sides to pursue common interests. From the perspective of cross-strait participation in regional economic cooperation, it is a meaningful topic to explore the deepening of cross-strait economic and trade relations and Taiwan's participation in "The Belt and Road" strategy.

III. METHODS

VRIO Model

Alleged VRIO model, it is Value, Rarity, Inimitability and Organization model. In order to accurately define the advantages of enterprises, Barney analyzed and evaluated the advantages or potential competitive advantages of enterprises with the VRIO model, and believed that the competitiveness of enterprises should be answered in four aspects: (1) The question of value: can the enterprise's resources enable the enterprise to grasp environmental opportunities or eliminate threats? (2) The question of rareness: how many competitors have specific resources and capabilities? (3) The question of imitation: Do enterprises without specific resources and abilities pay high costs in trying to acquire such abilities? (4) The question of organization: is the enterprise reasonably organized to make full use of the competitive potential of this resource and capability?

Research Framework

In this study, Kim and Mouborgne (2005) were observed in the study of blue ocean the tools used in strategy, for example are to analyze the competitive factors emphasized by competitors in the current industry by means of strategy sketches, or to eliminate the factors that customers pay less attention to from the perspective of customers. For customers, the factors that are not absolutely critical to the competition are reduced, and the factors that customers attach more importance to increase and create new demands of customers. Therefore, blue ocean strategy's strategic planning focuses on the external environment, but Wernerfelt (1995) thinks that the resource-based perspective should be taken into consideration when formulating the strategy, otherwise the strategy will only exist in the concept and will be difficult to realize. Although Kim and Mouborgne (2005) did not state whether the company's resources and environment should be taken into account in the formulation of the blue ocean strategy, according to Grant (1991) it is known that the realization of the company's low-cost and differentiation strategy depends on its mastery of resources, while Kim and Mouborgne (2005) thinks that blue ocean should be considered Strategy is the best way to achieve the goal of low cost and differentiation simultaneously. Therefore, this study

argues that resources will affect the realization of blue ocean strategy, because it must rely on the resources it has to create a new value curve. Therefore, enterprises must evaluate the characteristics of their own resources in the process of formulating strategies. This study believes that the analysis of the resources needed to create a new value curve and understand its characteristics will help enterprises more clearly evaluate whether the new value curve can realize its dream of traveling in blue ocean strategy. Through the analysis of the relationship between the competitive advantage of resources and the competitive advantage of Barney,

the competitive advantage of VRIO and the performance of industry, the paper analyzes the relationship between the competitive advantage of VRIO and the performance of industry.

IV. RESULTS

Organization in formulating strategy, from the economic value, rarity, inimitability, organization point of view, and to explore the intrinsic value of the organization. The purpose of this study is to analyze the competitive strategy from the perspective of Taiwan industry.

Table 1 VRIO Model Analysis of Taiwan Industry

	Value	Rarity	Inimitability	Organization
Integrated decision making ability	X	X	X	X
Operation management ability	X	X	X	X
Core competencies	X	X	X	V

Analysis of Integrated Decision Making Ability

Decision making ability refers to the comprehensive ability of leaders or managers to make decisions, make decisions and determine the direction of leadership and management performance. Including: business decision-making ability, management ability, business decision-making ability, personnel decision-making ability, tactical and strategic decision-making ability. Under the background of global economic slowdown, the benefit of "the belt and road" is becoming more and more important to Taiwan. Participating in "the belt and road" can not only create export business opportunities and increase employment, but also can find new investment opportunities in trade, medical care, information, environmental protection and other fields.

Operation Management Ability

The division of labor pattern by "vertical division of labor, and secondly level division of labor" to "horizontal division of labor, and secondly vertical division of labor" is different from the vertical division of labor, horizontal division including, downstream industry joint investment and "center a satellite", "a upstream downstream products" combining two operating modes, that is to say, Taiwan manufacturing key supporting production and even the whole industry chain transfer to the mainland of the horizontal division of labor between cross-strait industries mode.

Core Competency

It is very important for enterprises to master technology. Core technology in different products is

represented by different forms of knowledge such as patents, industrial standards, etc. This kind of technology can be reused, and its value will not decrease but also increase in the process of use, which has the characteristics of continuous growth and increasing returns. Therefore, the core technology is the main reason for the industry to obtain the key technology in the market. Even if an organization does not have the overall competitive advantage, it can also achieve great success through a few key technologies or a few key capabilities. The key technology and ability that competitors are hard to surpass is the core competence.

V. CONCLUSIONS

Under the current international environment of increasingly close cooperation between global economies, Taiwan's industrial transformation is the inevitable choice of history. At the same time, it is highly compatible with the building of the Maritime Silk Road, and has a far-reaching impact on the continued peace, stability and development of cross-strait relations. Taiwan should give full play to the advantages of leading enterprises, take the initiative to improve the processing mode on both sides of the Taiwan Straits, deepen cooperation, closely cooperate with the mainland and draw on each other's strengths to accomplish this arduous and glorious historical task. The belt and Road will focus on economic cooperation. Although political factors will play a role in economic cooperation to a large extent, if political wisdom can be used to treat political issues and economic issues differently to a

certain extent, through practical economic cooperation across the Taiwan straits, the belt and road construction will be in harmony with Taiwan's economic development. Secondly, in general, when making strategic decisions, organizations pay attention to the impact of objective environment and other factors on organizational behavior and benefits, and pay attention to the organization's own resource conditions, because they believe that advantages can be maintained for a long time once established. The competitive advantage built on this basis is temporary and cannot be maintained for a long time. Only the business strategy based on the core competence can enable the organization to keep its advantage continuously. More importantly, it can create and establish new competitive advantages, which is the core of strategic decision-making. Therefore, over the years, economic and trade cooperation between the two sides has achieved fruitful results and laid a solid foundation. Such a hard-won situation is worth cherishing by both sides. The two sides should work together to safeguard the overall interests of peaceful development, still less should economic exchanges and cooperation between the two sides be set back. In the face of drastic changes in global and regional economic development, it has become inevitable for Taiwan to upgrade the economic cooperation model across the Taiwan Straits. Taiwan's participation in the construction of "The Belt and Road" is a very powerful step.

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