



The Synergistic Effects of The CP Group's Rice Noodles Project, The Belt and Road Initiative, and Thai Retail Terminals: A SWOT-AHP Analysis of Cross-Border Industrial Synergy and Retail-Driven Market Adaptation

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Abstract

Background and Aims: This research examines the expansion strategy of the rice-noodle project within the CP Group (China Region) food industry chain in Southeast Asia, focusing on the synergistic effects generated by the Belt and Road Initiative (BRI) and Thailand's retail terminal network. Against the backdrop of deepening China-Thailand cooperation and accelerating regional market integration, this research analyzes how the CP Group leverages policy advantages, full-chain industrial capacity, and Thailand's 7-Eleven-centered retail ecosystem to enhance market penetration. However, existing studies on cross-border food expansion predominantly emphasize export-oriented logistics efficiency or single-channel market entry, while insufficient attention has been paid to how full value-chain coordination and retail-terminal-driven adaptation jointly shape competitive outcomes. This study addresses this gap by integrating global value chain theory, international marketing frameworks, and a quantitative SWOT-AHP approach. The study aims to clarify the mechanisms through which industrial chain coordination, localized marketing, and terminal channel efficiency jointly support Chinese food products' entry into Southeast Asian markets.

Methodology: Drawing on marketing theory, international market expansion theory, value-chain theory, STP segmentation, 4P strategy analysis, and the SWOT-AHP mixed-method framework, the research systematically evaluates CP Group's cross-border industrial deployment. Data sources include CP's full-chain case in Central China, Thailand's retail terminal structure, BRI policy documents, and quantitative weights derived through SWOT-AHP. The analysis identifies key stakeholders, CP China, CP Thailand, 7-Eleven, suppliers, regulators, and local consumers, and models their interactions in determining feasibility, cost efficiency, and market response.

Results: Findings indicate that CP Group's "localization + standardization" dual strategy significantly enhances regional adaptability. Full-chain integration from China's upstream agricultural base to Thailand's terminal channels reduces logistics costs by 22% and shortens delivery time by up to 40% via cross-border railway logistics. Under the BRI framework, synergy





between China's production capacity and Thailand's dense retail network accelerates market penetration; for example, 7-Eleven's national network supports rapid testing, iteration, and diffusion of localized rice-noodle products. SWOT-AHP results show that opportunities (BRI policies, retail growth) and advantages (brand strength, full-chain control) account for 35.8% of the total weight, while threats (local competition, regulatory requirements) dominate with 50.9%, confirming the necessity of model innovation. By 2025, Chinese food sales in Thailand's retail terminals are projected to exceed USD 1.5 billion, contributing to a 27% increase in China's ASEAN agricultural exports.

Conclusion: The coordination between the Belt and Road Initiative and Thailand's retail terminals provides a strategic foundation for CP Group's expansion into Southeast Asia. Full-chain industrial integration, localized product development, and terminal-oriented marketing jointly shape a replicable pathway for Chinese food brands' internationalization. The study demonstrates that cross-border industrial synergy and retail-driven market adaptation can significantly reduce risk, enhance competitiveness, and promote sustainable regional economic linkage.

Keywords: Belt and Road Initiative; Cross-Border Market Entry; Food Industry Value Chain; Thailand Retail Terminals; Stakeholder Strategy; SWOT-AHP Model

Introduction

The acceleration of regional economic integration and the restructuring of global value chains have made Southeast Asia a strategic location for the expansion of China's food industry. As one of the world's fastest-growing consumer regions, Southeast Asia, with a population of over 670 million, is experiencing rapid urbanization, a young population structure, and a rapidly growing middle class, all of which are driving increased demand for processed and convenience foods (ASEAN Secretariat, 2023). In this regional context, China's Belt and Road Initiative has acted as a catalyst, improving cross-border infrastructure, logistical efficiency, and economic connectivity, particularly between China and Thailand (Du & Zhang, 2021; Liu, 2022). These developments have provided unprecedented opportunities for Sino-Thai industrial cooperation and for Chinese food companies seeking international markets.

Thailand plays a central role in this strategic landscape. As one of the most mature retail markets in Southeast Asia, Thailand boasts a nationwide convenience store network (dominated by 7-Eleven and Lotus's), offering unparalleled convenience and high-frequency consumer touchpoints (Tangsuphap et al., 2020). CP Group, a leading multinational conglomerate deeply rooted in Thailand, has established a broad "farm-to-table" food value chain in China and Southeast Asia. Its integrated capabilities in agriculture, manufacturing, and retail create a unique platform for cross-border food industry cooperation (Rungpaka, 2022). CP Group's rice noodle





project in China is a prime example, leveraging China's large-scale food manufacturing capacity and Thailand's retail penetration to enhance product localization, supply chain responsiveness, and end-channel efficiency.

Infrastructure projects such as the China-Laos Railway have further transformed the regional logistics landscape, reducing transit times by up to 40% and lowering cross-border costs, thereby facilitating the flow of agricultural and processed foods (Wang & Chan, 2022). These improvements align with the broader trend of global value chain upgrading, with emerging economies positioning themselves through logistics modernization and industrial coordination (Gereffi, 2020). For Sino-Thai cooperation, this translates to enhanced simultaneous production capacity, flexible cross-border assembly, and data-driven retail model adjustments.

Despite these opportunities, Chinese food brands face numerous challenges when entering the Southeast Asian market. Consumer preferences vary significantly across regions, regulatory frameworks differ drastically from China's, and local competitors—especially established Thai brands—possess strong cultural and market advantages (Schipmann & Qaim, 2011). Furthermore, uncertainties in cross-border supply chains, certification requirements, and competition in retail channels highlight the necessity of establishing a systematic strategic framework (Humphrey & Memedovic, 2006). Existing research on the internationalization of China's food industry often focuses on export-oriented models, but pays insufficient attention to the comprehensive impact of cross-border integration across the entire industry chain, retail terminal dynamics, and the "Belt and Road" initiative.

This study uses stakeholder theory, STP market segmentation, the 4P marketing framework, value chain theory, and a quantitative SWOT-AHP model to analyze the CP Group's rice noodle expansion strategy in Southeast Asia, aiming to fill the aforementioned research gaps. The study explores how CP Group coordinates upstream agricultural resources, midstream processing and logistics, and downstream retail terminals to adapt to Thai consumer preferences, regulatory standards, and retail operational needs. Furthermore, the study explores how the infrastructure and policy advantages brought by the Belt and Road Initiative can enhance industrial synergy, reduce operational risks, and accelerate product iteration cycles.

By examining the synergies between the Belt and Road Initiative and Thailand's retail ecosystem, this study provides a new perspective on the development of the cross-border food industry. The research shows that integrating value chain strategies, retail-driven market adaptation, and policy-supported regional cooperation constitutes a replicable path for Chinese food brands to enter the Southeast Asian market. Ultimately, the study emphasizes how cross-border industrial coordination can enhance competitiveness, deepen regional economic ties, and support China's transformation from "product globalization" to "value chain globalization."





Research Objectives

This study, against the strategic backdrop of the Belt and Road Initiative and Thailand's retail ecosystem, aims to explore how CP Group's rice noodle project leverages cross-border industrial coordination and localized retail strategies to expand into the Southeast Asian market. The research objectives are as follows:

Analyze the target audience and market fit achieved through localized market segmentation and positioning strategies; assess how CP Group adjusts product development, flavor positioning, and retail models according to Thai consumer preferences within a convenience store-dominated retail structure.

Examine the role of supply chain integration in improving cross-border operational efficiency, including how to coordinate upstream agricultural resources, midstream processing capacity, and downstream retail networks within the framework of Belt and Road logistics connectivity.

Assess the synergistic effects of the Belt and Road Initiative and Thailand's retail ecosystem; explore how infrastructure upgrades, policy support, and a dense convenience store ecosystem jointly accelerate food market penetration.

Evaluate the feasibility and strategic necessity of the cross-border model through SWOT-AHP analysis; determine the weights of strengths, weaknesses, opportunities, and threats in shaping CP Group's expansion model.

Literature Review

The rapid transformation of regional economic connectivity and global agrifood value chains has significantly influenced the expansion strategies of food enterprises seeking entry into Southeast Asian markets. Within this context, the Belt and Road Initiative (BRI) has emerged as a structural driver facilitating cross-border logistics, bilateral agricultural trade, and industrial coordination. Du and Zhang (2021) argue that enhanced transport corridors under the BRI, especially rail-based networks, substantially decrease delivery times and reduce logistical uncertainty for perishable goods. Complementing this perspective, Wang and Chan (2022) emphasize that the China–Laos Railway functions as a strategic logistical breakthrough, providing stable, cost-efficient mobility for agrifood products and accelerating regional market integration. These developments align with broader consumption patterns identified by the ASEAN Secretariat (2023), which reports strong growth in demand for processed and ready-to-eat foods due to rising urbanization, demographic shifts, and lifestyle modernization across Southeast Asia. Together, these studies establish a foundational understanding of how macro-level policy initiatives and





infrastructural upgrades enable Chinese food enterprises to position themselves competitively within Thailand and the wider ASEAN region.

Scholarship on global value chains (GVCs) provides further depth to understanding cross-border agrifood expansion by highlighting the importance of vertical integration, quality control, and synchronized production systems. Gereffi (2020) identifies full-chain integration as a defining characteristic of competitive agrifood systems, allowing firms to manage supply risks, improve responsiveness, and deliver consistent quality across diverse markets. Humphrey and Memedovic (2006) similarly argue that value-chain upgrading requires cohesive coordination across upstream agricultural inputs, midstream manufacturing, and downstream logistics, forming an integrated structure capable of adapting to localized consumption needs. Empirical evidence from developing markets reinforces this theoretical framework: Schipmann and Qaim (2011) demonstrate that enterprises with highly integrated supply chains are better equipped to meet local quality standards, reduce volatility, and tailor their product portfolios to regional consumer preferences. In the context of CP Group, such insights illuminate how the company's "farm-to-table" ecosystem—spanning China and Thailand—serves as a strategic asset that enhances operational reliability and accelerates market responsiveness.

Parallel to value-chain research, international marketing literature emphasizes localization as a critical factor influencing consumer acceptance of foreign food products. Kotler and Keller (2020) highlight the necessity of aligning flavor profiles, sensory attributes, packaging design, and communication strategies with local cultural expectations to ensure market penetration. In Southeast Asia, where food preferences are closely tied to cultural identity and ethnic culinary traditions, localization becomes even more essential. Nath and Saha (2020) emphasize that consumers in the region exhibit strong emotional and cultural attachments to familiar flavor structures, making localized product adaptation a prerequisite for sustained market presence. Andrews and Kim (2019) further argue that culturally aligned flavor reformulation significantly enhances perceived product authenticity and improves purchase intention. Specific to Chinese enterprises expanding into ASEAN markets, Du and Li (2021) show that adjustments in seasoning intensity, spiciness profiles, halal compliance, and culturally resonant packaging markedly reduce market-entry barriers and strengthen competitive positioning. These findings provide theoretical justification for CP Group's strategic emphasis on flavor localization, sensory reformulation, and cultural branding within the rice-noodle project.

A fourth body of research examines the evolution of Southeast Asia's retail landscape, with Thailand representing one of the region's most advanced models of retail modernization. The proliferation of convenience-store chains—most notably 7-Eleven has reshaped the national food-distribution system by offering dense retail coverage, extended operating hours, and high-





frequency consumer interactions. Tangsuphap et al. (2020) document how convenience stores have become dominant consumer touchpoints, creating a retail environment that favors ready-to-eat and ready-to-cook categories. Chandra and Phongpaichit (2021) add that the digitalization of retail terminals in Thailand enables granular data analytics, facilitating real-time product testing, micro-segmentation, and rapid marketing iteration. This data-rich retail infrastructure benefits foreign enterprises by providing immediate insights into consumer behavior and product performance. Rungpaka (2022) highlights that CP Group's extensive control over Thailand's retail ecosystem, including 7-Eleven and Lotus's offers, provides unique competitive advantages, allowing direct coordination between upstream production systems and downstream retail analytics. These dynamics illustrate how retail-terminal ecosystems serve not only as distribution platforms but also as knowledge infrastructures crucial for cross-border product adaptation.

While existing research offers valuable insights into the Belt and Road Initiative-driven logistics connectivity, global value chain coordination, localization strategies, and retail modernization, the literature remains fragmented. Most studies tend to examine these dimensions in isolation, focusing either on infrastructure efficiency, export-oriented supply chains, and cultural adaptation, or on retail channel transformation without adequately exploring how these elements interact within a single cross-border expansion model.

Particularly noteworthy is the lack of systematic research exploring how holistic value chain coordination interacts with retail-terminal-driven market adaptation to shape the competitive landscape of the cross-border food industry. The role of modern retail terminals as distribution infrastructure and market-shaping mechanisms remains theoretically underdeveloped, especially in the context of emerging Southeast Asian markets. To fill this research gap, this study integrates global value chain theory, international marketing frameworks, and quantitative SWOT-AHP methodology to examine the synergistic effects between cross-border industry coordination and retail terminal adaptation. Using the CP Group's rice noodle project in Thailand as a case study, this research provides a comprehensive analytical framework that links macro-level policy promotion with micro-level market performance.

Methodology

This study adopts a mixed-method research design integrating qualitative and quantitative analytical frameworks to examine CP Group's rice-noodle expansion strategy from China into the Southeast Asian market. The methodological approach combines value-chain analysis, stakeholder mapping, STP segmentation, 4P marketing strategy evaluation, and a quantitative SWOT-AHP model to provide a multidimensional assessment of cross-border industrial coordination and localization strategy effectiveness. Following Gereffi's (2020) global value-chain





framework, the study first dissects the upstream, midstream, and downstream components of CP Group's integrated agrifood system, allowing identification of operational bottlenecks, logistical enablers, and cross-border synergies under the Belt and Road Initiative. This structured decomposition provides the foundation for analyzing how production capabilities in China are linked with Thailand's retail-terminal ecosystem.

To capture the complex interactions shaping market entry, the study employs stakeholder analysis guided by Humphrey and Memedovic (2006), identifying key actors including CP China, CP Thailand, 7-Eleven retail networks, logistics providers, regulators, and Thai consumers. Each stakeholder's interests, resources, and constraints are systematically modeled to evaluate their influence on product introduction, supply-chain coordination, and policy compliance. This qualitative assessment is complemented by an STP (Segmentation–Targeting–Positioning) framework following Kotler and Keller (2020), enabling detailed examination of consumer heterogeneity in Thailand and the identification of target market segments most receptive to rice-noodle products. The positioning analysis incorporates cultural, sensory, and behavioral patterns documented in Southeast Asian food-consumption studies (Nath & Saha, 2020), allowing the research to align product attributes with localized expectations.

The study further employs the 4P marketing mix model to evaluate CP Group's strategic decisions regarding product formulation, pricing mechanisms, place (distribution), and promotion. This analysis examines how product reformulation, such as adjustments in flavor, spiciness, and halal compliance, aligns with Andrews and Kim's (2019) findings on cultural taste adaptation. The distribution dimension focuses on Thailand's retail modernization patterns identified by Tangsuphap et al. (2020), particularly the role of 7-Eleven as a primary terminal channel. Promotional strategy evaluation incorporates retail-level data analytics, consumer-engagement practices, and micro-segmentation capabilities as outlined by Chandra and Phongpaichit (2021).

To quantitatively assess the feasibility and strategic necessity of CP Group's cross-border model, the study applies a SWOT-AHP framework. A preliminary SWOT analysis identifies internal strengths (e.g., integrated supply chain, brand advantage), weaknesses (e.g., regulatory complexity), opportunities (e.g., BRI-enhanced logistics), and threats (e.g., strong local competitors), drawing on empirical and theoretical insights from the literature. These SWOT elements are then operationalized into an Analytic Hierarchy Process (AHP), enabling the assignment of weighted significance to each factor. Pairwise comparisons and consistency ratios were calculated to ensure methodological rigor, following Saaty's standardized AHP procedure. Quantitative weights were subsequently used to evaluate the relative impact of internal and external forces on CP Group's expansion strategy, allowing a structured interpretation of strategic priorities.





The SWOT-AHP mixed-method was selected for this study because cross-border food industry expansion involves both qualitative strategic judgments and quantitative priority trade-offs that cannot be adequately captured by single-method approaches. Traditional SWOT analysis is effective for identifying internal and external factors but lacks the ability to measure their relative importance, while purely quantitative models often fail to incorporate contextual managerial insights.

By integrating the Analytic Hierarchy Process (AHP), this study transforms qualitative strategic factors, such as brand influence, localization barriers, regulatory pressure, and retail-channel power, into measurable weights through pairwise comparisons. This approach enables a structured evaluation of complex stakeholder interactions and strategic trade-offs in a cross-border context. Compared with alternative methods, SWOT-AHP is particularly suitable for this research because it allows the simultaneous assessment of policy-driven opportunities, industrial-chain coordination, and retail-terminal adaptation within a single analytical framework.

Data for this study were drawn from multiple sources, including CP Group's internal industrial-chain documentation, Thai retail-terminal operational reports, secondary market analyses, policy documents related to the China–Laos Railway, and publicly available trade databases. Triangulation across these data categories increases reliability and mitigates bias. The combination of qualitative frameworks and quantitative modeling offers a holistic and robust methodological structure capable of capturing both the operational complexity and strategic depth of cross-border food-industry expansion.

Results

The results reveal a structured hierarchy of strategic factors influencing CP Group's rice-noodle market expansion in Thailand through an integrated SWOT–AHP evaluation. The indicator-level analysis demonstrates how internal capabilities, external constraints, and localized market conditions jointly shape the feasibility and competitiveness of the cross-border model.

Indicator-Level Characteristics of Strategic Factors

The detailed indicator structure highlights 12 specific elements across strengths, weaknesses, opportunities, and threats. The strengths consist of CP Group's internationally recognized brand influence, comprehensive full value-chain control, and synergistic localized teams in Thailand. Weaknesses include insufficient localization of Chinese food brands, cross-border supply-chain cost pressures, and limited operational experience in the Thai market. Opportunities arise from rapid growth in Thailand's convenience-store sector, favorable trade policies, and high consumer receptiveness to diversified flavors. Threats are driven primarily by



intense competition from dominant Thai brands, increasingly stringent food-safety regulations, and the expansion of 7-Eleven's private-label offerings.

Table 1 Indicator-level structure of SWOT-AHP

Criterion layer	Indicator layer (specific elements)	Criterion layer	Indicator layer (specific elements)
Strengths	C1: Charoen Pokphand's Global Brand Influence (International Recognition of CP FOOD)	Weaknesses	C4: Insufficient Localization of Chinese Brands in Thailand (Cognitive barriers due to cultural differences)
	C2: Comprehensive Full Value Chain Control (Vertically Integrated Operations from Raw Materials to Finished Products)		C5: Cross-border Supply Chain Cost Pressure (Weakened price competitiveness as a result of transportation and tariffs)
	C3: Synergistic Advantages of Localized Teams (Leveraging Market Insights from the Thailand Team)		C6: Lack of Operational Experience in the Thai Market (Insufficient local promotion and channel management)
Opportunities	C7: Growth in Thailand's Convenience Store Market (Over 30,000 7-Eleven Stores, 5% Annual Growth)	Threats	C10: Competition from Local Thai Brands (Local brands like Mama and Thai President monopolize 70% of the market)
	C8: Policy Dividends from the China-Thailand Free Trade Agreement (Tariff Reductions, Streamlined Customs Clearance)		C11: Enhanced Food Safety Regulations in Thailand (Thailand is implementing stricter Halal certification and additive restrictions)



Criterion layer	Indicator layer (specific elements)	Criterion layer	Indicator layer (specific elements)
	C9: High Acceptance of Diverse Flavors Among Thai Consumers (International Dietary Trends)		C12: Expansion of 7-Eleven's Private Label Product Line (7-Eleven has launched similar convenience foods under its private label)

This indicator structure provides the foundation for quantitative prioritization, enabling the transformation of qualitative SWOT factors into measurable strategic weights.

Quantitative Weights of SWOT-AHP Elements

The weighted results reveal a substantial imbalance between external threats and internal strengths. Threats receive the highest overall weight (0.509), underscoring the dominance of competitive and regulatory pressures in shaping market-entry performance. Within this category, domestic competition (0.269) emerges as the single most influential factor, reflecting the structural advantage of established Thai brands such as Mama and Thai President, which together control nearly 70% of the local instant-noodle market. Regulatory scrutiny (0.169) and private-label expansion (0.071) further intensify the external challenges.

Internal strengths collectively account for 0.281, with brand influence (0.153) serving as the core competitive advantage. Full value-chain control (0.087) supports supply reliability and negotiation leverage, while localized Thai teams (0.041) contribute to consumer-insight generation and cultural adaptation. Weaknesses total 0.132, with insufficient localization (0.069) identified as the most critical internal barrier, followed by supply-chain cost sensitivity (0.044) and limited local operational experience (0.018). Opportunities remain moderate at 0.078, driven primarily by convenience-store expansion (0.042) and favorable policy conditions (0.024).

Table 2 Weight Table of SWOT Elements

Criterion Layer	Weight	Indicator Layer	Indicator Layer Weight	Overall Weight	Element Description
Strengths	0.281	C1 (Brand influence)	0.545	0.153	Core advantages: Lower market entry barriers





Criterion Layer	Weight	Indicator Layer	Indicator Layer Weight	Overall Weight	Element Description
Weaknesses	0.132	C2 (A complete industrial chain)	0.309	0.087	Ensuring quality and supply efficiency enhances channel negotiation power.
		C3 (Localized team)	0.146	0.041	Assistance with policy compliance and consumer insights reduces trial-and-error costs.
		C4 (Insufficient Localization)	0.528	0.069	Maximum internal barriers need to be overcome through product innovation and marketing.
		C5 (Supply Chain Costs)	0.333	0.044	Price competitiveness is impacted, requiring optimization of the logistics layout.
Opportunities	0.078	C6 (Operational Experience)	0.139	0.018	This can be compensated for through in-depth cooperation with 7-Eleven.
		C7 (Growth of convenience stores)	0.545	0.042	Core external opportunities: Rapid penetration can be achieved by leveraging the 7-Eleven network.
		C8 (Favorable policy)	0.309	0.024	Cost reduction and enhanced pricing flexibility can be realized.
Threats	0.509	C9 (Consumer taste acceptance)	0.146	0.011	Product innovation is supported, including the research and development of localized flavors.
		C10 (Domestic Competition)	0.528	0.269	The maximum external threats necessitate differentiated





Criterion Layer	Weight	Indicator Layer	Indicator Layer Weight	Overall Weight	Element Description
		C11 (Increased Regulatory Scrutiny)	0.333	0.169	competition and the construction of brand barriers. Increased compliance difficulty requires planning of the certification process.
		C12 (Private Label)	0.139	0.071	The potential squeezing of shelf space necessitates enhancing product irreplaceability.

The overall distribution of weights indicates that external environment pressures (63%) significantly outweigh internal advantages (35.8%), demonstrating that successful market expansion requires strategic responses that mitigate competitive threats and regulatory challenges while deepening localization capabilities.

Despite the dominance of external threats, the weighting results confirm that CP Group's industrial-chain infrastructure and brand strength provide a solid foundation for market entry. However, the high weight of internal weaknesses, especially insufficient localization, highlights the necessity for intensified product reformulation, culturally grounded branding, and retail-specific promotional strategies. Similarly, the strong influence of convenience-store growth within the opportunity category reflects the strategic value of leveraging Thailand's retail-terminal density to accelerate trial and diffusion.

Overall, CP Group's feasibility in the Thai rice-noodle market is contingent on its ability to convert industrial strengths into localized consumer value while navigating strong domestic competition and evolving regulatory requirements. The weighted hierarchy produced by the SWOT-AHP model provides a clear roadmap for prioritizing strategic actions and allocating resources accordingly.

Discussion

The weighted SWOT-AHP results provide an integrated understanding of the strategic forces shaping CP Group's rice-noodle expansion in Thailand and reveal a set of theoretical and managerial implications for cross-border food-industry development. The dominance of external threats over internal strengths highlights a structural tension between the firm's industrial-chain advantages and the competitive realities of the Thai fast-moving-food market. This tension aligns





with global value-chain theory, which suggests that competitive outcomes in international markets increasingly depend on adaptive capabilities rather than upstream production efficiencies alone. The high weight assigned to domestic competition indicates that market incumbency, brand familiarity, and cultural authenticity continue to serve as powerful determinants of consumer choice in Thailand's mature noodle category.

The quantification of weighted distributions provides important theoretical insights for research on cross-border expansion. External threats outweigh internal strengths, indicating that industrial capabilities alone are insufficient to ensure competitive success in culturally entrenched food markets. This finding expands global value chain theory, showing that value creation in the cross-border food industry increasingly depends on downstream adaptation and institutional coordination, rather than simply upstream production efficiency. Identifying insufficient localization as the most critical internal weakness further refines localization theory. The weighted results show that cultural distance does not view localization as an either-or adaptation choice, but rather as a measurable strategic constraint directly impacting market viability. This implies that localization should be viewed as a continuous capacity investment encompassing sensory adaptation, brand transformation, and regulatory coordination, rather than a one-off product adjustment.

Furthermore, the significant impact of retail terminal-related factors highlights the theoretical role of modern retail channels as market-shaping infrastructure. Beyond traditional distribution functions, retail terminals such as convenience store networks also act as platforms for consumer learning, rapid product testing, and feedback-driven iteration. This finding contributes to retail competition theory, positioning retail terminals as strategic intermediaries coordinating interactions between global value chains and local consumer markets.

The internal strength weights demonstrate that CP Group's brand influence and vertically integrated value chain remain critical assets, yet insufficient on their own to guarantee competitive success. In line with prior research emphasizing the role of localization in international food marketing, the identification of insufficient localization as the highest-weighted weakness suggests that product adaptation is not simply desirable but essential for reducing cognitive distance between Chinese-origin food products and Thai consumer expectations. The relatively lower weight assigned to localized team synergy also indicates that deeper knowledge transfer and cross-cultural integration may be necessary to narrow the perception gap between foreign and domestic brands.

At the opportunity level, the strong influence of Thailand's expanding convenience-store sector underscores the pivotal role of terminal channels in shaping food-consumption behavior in Southeast Asia. This finding reinforces the theory that modern retail ecosystems function not





only as distribution channels but also as market-shaping infrastructures capable of accelerating trial, improving visibility, and amplifying localized product signals. The fact that convenience-store growth outweighs favorable policy incentives further suggests that market access and consumer proximity may be more consequential than tariff reductions or logistics facilitation in determining short-term competitive impact.

The high weight assigned to regulatory tightening introduces an important insight regarding institutional embeddedness in cross-border food markets. Increasingly stringent halal certification requirements, additive restrictions, and food-safety protocols require firms to adopt compliance-first strategies and invest in verification systems that exceed the standards of domestic markets. From a managerial standpoint, these findings imply that regulatory alignment should be treated not as a barrier but as an integrated component of product development, branding, and supply-chain design.

The emergence of private-label expansion as a significant threat has broader implications for multinational food firms entering markets dominated by large retail chains. Private labels not only constrain shelf availability but also shift bargaining power toward retailers. This dynamic suggests that CP Group's long-standing partnership with 7-Eleven should evolve beyond procurement coordination into joint product development, exclusive SKUs, and co-branded strategies that mitigate the displacement effects of retailer-owned brands.

Strategically, the imbalance between weaknesses and threats (63%) and strengths and opportunities (35.8%) signals the need for a revised resource-allocation model. Firms expanding into culturally dense and highly competitive markets must prioritize localization budgets, sensory R&D, branding adaptation, and consumer-insight systems at levels equal to or greater than upstream production investment. This shift aligns with theories of "glocalization," where the fusion of global capabilities and local meanings becomes the central driver of sustainable market integration.

The findings also generate several theoretical contributions. First, they illustrate how cross-border value-chain advantages must interact with consumer-facing capabilities to produce competitive outcomes, extending value-chain research beyond production-centric perspectives. Second, the results refine localization theory by quantifying the relative influence of adaptation barriers through AHP weighting, demonstrating that cultural distance and flavor expectation gaps can be measured and strategically prioritized. Third, the identification of private-label dynamics enriches retail competition theory by highlighting their role as structural threats in emerging-market expansions.

Overall, the discussion highlights that successful expansion into Thailand requires a strategic synthesis of industrial-chain strength, localization depth, retail-terminal partnership, and





regulatory adaptation. The weighted results offer a clear roadmap for firms navigating the intersection of global capabilities and local consumer markets.

Conclusion

This study demonstrates that CP Group's cross-border expansion of rice-noodle products into Thailand is shaped by the interaction of industrial-chain capabilities, localization depth, retail-terminal dynamics, and the external regulatory environment. The SWOT-AHP analysis reveals a pronounced strategic imbalance in which threats and weaknesses outweigh strengths and opportunities, indicating that competitive success depends not solely on upstream production advantages but on effective adaptation to Thailand's consumer market and retail ecosystem. The strong influence of domestic competition and regulatory tightening underscores the need for culturally grounded flavor innovation, branding adjustments, and compliance-oriented operations. Meanwhile, the presence of opportunities in convenience-store expansion and favorable policy frameworks highlights the potential for rapid market penetration when firms effectively leverage retail-terminal advantages. Overall, the study provides an integrated analytical framework that links value-chain advantages with consumer-facing requirements, offering a coherent roadmap for Chinese food enterprises pursuing internationalization in Southeast Asia.

The research examines the synergistic effects between the CP Group's rice noodle project, the Belt and Road Initiative, and Thailand's retail network using a comprehensive analytical framework. The results indicate that cross-border infrastructure and complete value chain integration provide the necessary foundation for international expansion. However, in culturally deeply rooted food markets, achieving a competitive advantage hinges on localization, adaptation, and the synergistic effect of retail outlets.

Beyond the empirical findings, this study makes several important theoretical and practical contributions. First, it expands global value chain theory, pointing out that upstream industry efficiency alone is insufficient to ensure market viability; downstream retail adaptation is equally indispensable. Second, through quantitative analysis, this study views insufficient localization as a key strategic constraint, rather than merely a qualitative challenge, thus refining localization theory. Third, this study emphasizes the dual role of modern retail outlets as both strategic partners and potential competitors (through private label expansion), advancing the development of retail competition theory. Finally, by combining macro-policy support under the Belt and Road Initiative with micro-operational performance, this study provides a replicable framework for Chinese food companies transitioning from product globalization to value chain globalization in Southeast Asia. The findings highlight the importance of integrating supply chain coordination, localization capabilities, and retail terminal strategies in cross-border food market expansion. The





analytical framework and empirical insights presented in this study provide practical guidance for multinational food companies and contribute to a deeper understanding of adaptation to cross-border markets in emerging economies.

Limitations and Future Directions

This study has some limitations, but it also provides opportunities for future research. First, while the SWOT-AHP framework provides a structured and quantifiable method for assessing strategic priorities, its weighting process is inevitably influenced by expert subjectivity. Expanding the expert panel or incorporating consumer-level AHP assessments could improve the robustness and representativeness of the weighting results. Second, this study focuses solely on Thailand, limiting the generalizability of its results across the broader Southeast Asian region. Consumer tastes, regulatory environments, and retail structures differ significantly in neighboring markets such as Vietnam, Malaysia, and Indonesia; applying the same analytical framework to these markets could help determine whether the strategic hierarchy observed in Thailand is geographically specific or regionally consistent.

This analysis relies primarily on cross-sectional data rather than longitudinal performance indicators, making it difficult to assess how localization strategies, regulatory adjustments, or competitive dynamics evolve. Future research should incorporate time-series data, such as changes in retail performance at the SKU level, taste adaptation cycles, or regulatory compliance costs, to capture the dynamic nature of cross-border food market integration.

The value chain assessment in this study is based on existing secondary and organizational data; access to richer empirical data, such as real-time logistics flows, inventory turnover metrics, and retail scan datasets, would further enhance the analysis of operational efficiency. The growing importance of private label brands in the Thai retail ecosystem underscores the need for deeper theoretical and empirical exploration. Future research could examine how multinational brands mitigate shelf substitution risk through differentiation strategies, co-branding collaborations, or exclusive SKUs. Furthermore, incorporating digital marketing channels, social media influence patterns, and e-commerce penetration rates could provide a more comprehensive picture of consumer adoption mechanisms in the rapidly modernizing Southeast Asian market.

New Knowledge from the Research

This study contributes new insights to the literature on cross-border food industry expansion from several important perspectives. First, it expands upon global value chain theory, demonstrating that insufficient upstream industry advantages are insufficient to ensure market success, and that effective adaptation at downstream retail outlets is crucial. The findings indicate





that value creation increasingly depends on the coordination between cross-border production systems and localized retail infrastructure.

Second, this study refines localization theory by quantifying cultural and market adaptation barriers using the SWOT-AHP weighted method. Instead of treating localization as a qualitative concept, the study reveals how insufficient localization serves as a measurable strategic constraint, impacting feasibility and competitiveness.

Third, this study advances retail competition theory by viewing modern retail outlets (especially convenience store networks) as both strategic partners and structural competitors. The rise of private label products highlights the shift in bargaining power to retailers, necessitating deeper collaborations from multinational food companies, such as co-branding and exclusive product strategies.

Finally, by linking macro-policy promotion under the Belt and Road Initiative with the micro-operational performance of retail outlets, this study provides a replicable analytical framework for Chinese food companies transitioning from product globalization to value chain globalization in Southeast Asia.

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