



## Barriers to Entry for New Entrants into Kandahar Industrial Park

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**ABSTRACT:** Entry barriers are one of the dangerous powers that helps with incumbent firms in terms of competitive advantage over new participants and helps to promote the oligopoly market structure. The objective of this study is to consider barriers to entry of new entrants into Kandahar industrial park and to recognize some remedial business strategies where it's application make the entry easy into Kandahar industrial park.

To conduct this study a mixed method research design is used. The qualitative technique is completed over semi-organized interviews where prepared questions are used (Saunders and Lewis, 2012). To obtain quantitative data a 5-point Likert scale questionnaire is utilized, which was sent out to senior and middle workers, managers and owners.

Results shows that there are entry barriers into Kandahar industrial park which influence new entrants negatively. And the importance level of the entry barriers to new entrants is significantly different. Yet, there are economics strategies that helps entrepreneurs to enter Kandahar industrial park.

**KEYWORDS:** Entry Barriers, SMEs, Entrepreneurship, Kandahar industrial park.

### INTRODUCTION

SMEs and especially new firms are the agents of progress. Entrance of new innovative companies encourages flow in economy (Audretch 2006; Acs and Storey 2004). However, when companies enter the market, if the benefit is over the long run focused level, newcomers may have an equilibrating capacity. The outcome is that the entrance of a new company adds to allocative and additional powerful productivity in the market (Audretch and Thurik 2001). Yet, barriers to entry can keep companies from entering the industrial park and hinder the procedure which relates to dynamic & allocative effectiveness. In accordance to this viewpoint, it can be clearly realized that entry barriers are the main issue in competition policy and entrepreneurship. So, this research studies entry barriers into Kandahar industrial park.

Kandahar Industrial Park, located 10 kilometres east of Kandahar province of Afghanistan, which consists of 86 factories, and provided all construction-management and quality-control services during its development. The park, which encompasses 15 hectares, is a professionally managed facility. Factories operating in Kandahar's industrial park produce soaps, salt, plastic sandals, plastic water pipes, non-alcoholic beverages, ice, plastic water storages and dishes, etc.

The research focuses on the following research questions. What are the entrance barriers for a small, or specifically new firm entering into Kandahar industrial park? How these new firms can handle those barriers to entry with the limited resources available to them?

A detailed literature review is done in order to identify the various barriers which have been studied till date. (Shepherd 1997; Karakaya and Stahl 1989). Based on the existing literature, 37 barriers to entry were identified, where a portion of these barriers appear to cover two inquiries emerged. First, one may address whether each entry barrier is essential to be considered by new entrants. Secondly, "it is fascinating to check whether entry strategies exist to handle the entry barriers. In this regard some research has been done (Karakaya 2002; Karakaya and Stahl 1989)".

A pilot survey was done on a sample size of 10 respondents who were employees /managers/owners of 3 SMEs in the Kandahar industrial park. It was found that out of the 37 barriers that had been identified through the literature review, only 19 could be identified by the respondents. So, we could safely assume that these barriers did not exist in the region. It seemed

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appropriate to find the most challenging barriers to entry from the left 19 barriers. Hence, a questionnaire was designed to test it.

The limitation of the study is that it has been conducted on the manufacturing firms only (MSE). Besides, structural barriers to entry are addressed by Karakaya (2002) and are centred on a moderately lesser sum of observation. Some authors stretch the requirement for empirical observation on existing entry barriers (Karakaya 2002; Bunch and Smiley 1992; Geroski 1995; Geroski et al. 1990; Scherer 1988). With respect to entry barriers, this article talks about companies' perceptions. Thinking about the troubles of completing experimental research on strategic barriers to entry (Bunch and Smiley 1992), we chose to talk with firms and measure their perception in regards to the significance of particular barriers to entry.

As this research is mostly intrigued by those barriers that keep potential participants from entering Kandahar industrial park, perceptions of the practitioners with respect to entry barriers are crucial. Subjective views of entrepreneurs' effect both development inspiration and direct performance (Davidsson 1991). The same line of thought was taken by numerous researchers (Aidis 2005; Karakaya 2002; Bunch and Smiley 1992). However, every one of these studies concentrated on a restricted subset of entry barriers or a particular set of organizations or firms. A few researchers emphasize the significance of strategic barriers (Bunch and Smiley 1992; Scherer 1988), while others underline the role of structural barriers (Bain 1956; Karakaya 2002). In accordance with this, a restricted group of prearranged structured and/or strategic barriers were studied. For this research, it was significant to meet a huge sum of industries in Kandahar industrial park, and to contain every single potential barrier recognized in the literature study (Blees et al. 2003). This research is based on manufacturing sector MSMEs.

For barriers to entry in literature, two traditions can be recognized: first the industrial organization point of view (e.g. McAfee et al. 2004; Von Weizsacker 1980; Stigler 1968; Bain 1956) second the strategic management point of view (e.g. Robinson and McDougall 2001; Singh et al. 1998; Porter 1980, 1985).

The primary tradition stresses on the firm like the element of investigation, tries for effectiveness and distinguishes hurtful barriers for the purpose of economic growth. Different models indicate how barriers to entry influence the conduct of industries and the execution of the business. Fundamentally, structural and strategic entry barriers are recognized. The first type of barriers originates from the features of market structure and are broadly talked in the custom of industrial organization. The idea of "barriers to new competition" is presented by Bain (1956). Competition is significance to the task and process of businesses and that any manufactured barrier to rivalry may decrease the effective allocation of resources in the business, are assumptions on which this idea is based on. Bain focused on the significance of structure features which hamper marker entry of potential competitors: absolute cost advantages, technological advantages, economies of scale and so on.

7 key sources of entry barriers were specified by Porter (1980, pp. 9–13:

"economies of scale, product differentiation, capital requirements, switching costs, access to distribution channels, cost disadvantages independent of scale and government policy".

Indirectly he utilizes an expansive definition of barriers to entry so as to include "structural and strategic barriers". He gives a sort of typology of entry barriers that organizations "firms" should consider when they have well developed competitive policy. Porter's descriptions also indicate that structural and strategic barriers are connected. The barriers might be established in the market structure, yet this will urge firms to respond deliberately .

The purpose of this study isn't to distinguish the correct tradition. Both methodologies might be significant and the correct decision relies upon the issue under study. We review that the goal of this study is to distinguish significant barriers to entry as saw by firms (Smiley 1988; Singh et al. 1998; Yip 1982). It goes for perceiving the significant limitations that hamper "firms" in settling on their entrance choice.

So, a comprehensive definition for barriers to entry, covering every single pertinent affiliation made by firms, is received for this study. A helpful definition is stated in Besanko et al. (2007, p. 289): "Barriers to entry are those factors that allow incumbent firms to earn positive economic profits, while making it unprofitable for newcomers to enter the industry". "Two types of barriers are distinguished. Structural barriers concern natural cost or marketing advantages resulting from market characteristics that are exogenous to the firm in the short and medium term. Strategic barriers result from a firm's behaviour and concern entry-detering strategies".

In light of this definition existing literature is checked on. Table 1 gives an outline of the categories of barriers watched and gives some key references. A few barriers are gathered together as various names are utilized for alike issues to feature a particular concentration under study; for instance, "control over strategic resources", "location" and "vertical integration" all relate to general barriers of "securing inputs". Likewise, "strategic behaviour differentiation", and "packing the product space" are gathered together .

Table 1: Entry barriers got from the literature review and talked in the survey

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Type of barrier	Barrier to entry	Source
Financial Requirement or cost of Market Entry	Capital requirements to enter the markets	Porter ( <a href="#">1980</a> ), Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> )
	Capital intensity of the market	Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Shepherd ( <a href="#">1997</a> )
	Access to funds	Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> )
	Amount of sunk costs involved in entering the market	Bain ( <a href="#">1956</a> ), Porter ( <a href="#">1980</a> ), Shepherd ( <a href="#">1997</a> )
	R&D Expense involved in entering a market	Yip ( <a href="#">1982</a> )
Type of barrier	Barrier to entry	Source
Competitive advantage of incumbent firms	Incumbent firms with proprietary product technology	Yip ( <a href="#">1982</a> )
	Trade secrets by incumbent firms or competitors in the market	Porter ( <a href="#">1980</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Shepherd ( <a href="#">1997</a> )
	Incumbent firms cost advantages due to economies of scale	Bain ( <a href="#">1956</a> ), Yip ( <a href="#">1982</a> ), Geroski et al. ( <a href="#">1990</a> ),
	Absolute cost advantages held by incumbents	Porter ( <a href="#">1980</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Shepherd ( <a href="#">1997</a> )
	Incumbent firms with cost advantages due to learning curves	Porter ( <a href="#">1980</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Shepherd ( <a href="#">1997</a> )
	Trade secrets held by incumbent firms or competitors in the market	Bain ( <a href="#">1956</a> ), Yip ( <a href="#">1982</a> ), Geroski et al. ( <a href="#">1990</a> ),
	Incumbent firms with superior production processes	Porter ( <a href="#">1980</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Shepherd ( <a href="#">1997</a> )
	Relatively easy access to raw materials/products	Porter ( <a href="#">1980</a> ), Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> )
	Incumbent firms possessing strategic raw materials/products	Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Shepherd ( <a href="#">1997</a> )
Unfavourable business environment barrier for market entrants	<b>Competitive advantage of incumbent firms</b>	Bain ( <a href="#">1956</a> ), Geroski et al. ( <a href="#">1990</a> ), Bunch and Smiley ( <a href="#">1992</a> ), Singh et al. ( <a href="#">1998</a> )
	Brand name/identification advantage held by incumbent firms	Geroski et al. ( <a href="#">1990</a> ), Bunch and Smiley ( <a href="#">1992</a> )
	Access to distribution channels	Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Bunch and Smiley ( <a href="#">1992</a> )

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Profit Expectations from entering the market	Customer loyalty advantage held by incumbent firms	Bunch and Smiley ( <a href="#">1992</a> ), Shepherd ( <a href="#">1997</a> ), Singh et al. ( <a href="#">1998</a> )
	Expected post-entry reaction / retaliation from firms already in the market	Porter ( <a href="#">1980</a> ), Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> )
	Magnitude of market share held by incumbent firms	Yip ( <a href="#">1982</a> ), Karakaya and Stahl ( <a href="#">1989</a> ), Shepherd ( <a href="#">1997</a> )
	Number of firms in the market	Yip ( <a href="#">1982</a> )

## METHODS

A mixed approach of descriptive and exploratory research was adopted for performing of the research. Quantitative data was collected for conducting the research to decide the degree of the entry barriers and qualitative data was studied to achieve knowledge and understandings into the entry barriers and how these barriers can be handled to permit entry into Kandahar Industrial park. The quantitative investigation was utilized to test target hypotheses and evaluating connections among factors.

The qualitative technique was completed over semi-organized interviews, where prepared questions were asked (Saunders and Lewis, 2012) and from a meeting had with manager of PVC pipe companies which was discussing barriers. Around 70 percent of “interviews” was done in person and 30 percent telephonically where directly meeting the respondent was impossible because of distance and time limitations.

Questionnaires were used for obtaining quantitative data. 67 organizations were contacted for the research, out of which 62 agreed to participate. As interviews had to be conducted along with the quantitative data collection, high efforts were made to gain as many viewpoints as possible from the owners, managers, and even senior workers. In total 188 responses were obtained. Senior executives were picked because of their comprehensive learning of the business from all zones of the business. They had the skill and information about how to enter into the Kandahar industrial park and how to prevail in the long and short run.

The study based on the economic theories of barriers and does not imply to propose its outcomes are suitable to different enterprises and nations. Indeed, not every person responded to the interview and questionnaire. The sum of respondents to the study survey is typically from the existing incumbents, which could skew the outcomes for these members. In addition, the sample size for the research was smaller too.

## RESEARCH PROPOSITIONS AND HYPOTHESIS

A group of hypothesis was suggested by Karakaya & Parayitam (2013) in their research of “the relationship among barriers to market entry”. Their research concentrated on market entry into e-commerce. The commitment of this study is to test this hypothesis in the Kandahar industrial park and to think about the distinctions in the extent of significance of barriers.

## RESEARCH HYPOTHESIS

To consider whether entry barriers are seen similarly important by existing firms or there is a significant difference in the importance amongst the barriers to entry.

H0: There is no significant difference in the importance level of barriers to entry for new entrants into Kandahar industrial park.

H1: There is significant difference in the importance level of barriers to entry for new entrants into Kandahar industrial park.

### Research proposition 1:

Proposition one states that there are entry barriers into Kandahar industrial park and make entry conditions tough for new entrants.

### Research proposition 2:

Entry strategies exist to enter Kandahar industrial park which will handle the entry barriers.

## ANALYSIS AND FINDINGS

This chapter is all about to discuss the results of research in detail based on one hypothesis and two propositions of the research that are outlined in chapter 2. Research survey and semi-structured interviews were utilized to explore all two research

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proposition and research hypotheses respectively. Outcomes gotten were commonly in accordance with literature and this will be talked over in depth under each proposition and hypothesis.

Though entry barriers are studied broadly in literature review, there is very restricted or limited “study” and information which specifically concentrates on barriers to entry into Kandahar industrial park.

The respondents were requested to answer the questions of interview as recorded in Appendix 1. The interview consisted of a 5-point Likert scale which extended from "Not a Barrier" to "Extreme Barrier". Results appeared in Table 2 are from singular questions utilized in the study with the calculated mean and standard deviation.

**Table 2: Descriptive statistics per statement**

Descriptive statistics			
Barriers	Analysis N	Mean	Std. Deviation
Incumbent firms with cost advantages due to learning curves	188	3.72	.804
Access to funds	188	3.47	1.081
Capital intensity of the market	188	1.85	.732
R&D Expense involved in entering a market	188	2.83	.847
Licensing requirements to enter and/or expand current operations	188	1.37	.486
Trade secrets by incumbent firms or competitors in the market	188	3.87	.791
Infrastructure (Security, Electricity, road, environment, etc.)	188	3.92	.809
Incumbent firms with superior production processes	188	3.60	1.061
Relatively easy access to raw materials/products	188	3.05	.769
Incumbent firms possessing strategic raw materials/products	188	1.35	.481
Brand name/identification advantage held by incumbent firms	188	3.70	.788
Access to distribution channels	188	3.42	1.094
Number of firms in the market	188	2.72	.739
High profit rates earned by incumbent firms	188	3.47	.700
Low prices charged by incumbent firms	188	1.58	.696
Cost advantages and profitability uncertainty of the industry	188	3.80	.755
Capital requirements to enter the market	188	3.95	.872
Heavy advertising by firms already in the market	188	2.95	1.016

Results appeared above were acquired from a poll in view of the 5 point Likert.

Mean values beneath 3 show disagreement with the explanations contained in the construct/factor whereas mean values over 3 show agreement with the statement contained the construct. statements contained in the factor are appeared in Table 3 above.

The first factor/construct which is Financial Requirements has mean value over 3, which shows agreement with the statement. And last factor/construct which is institutions has mean value less than 3, which shows disagreement with the statement.

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### FACTOR ANALYSIS

In order to achieve the objective of common factors leading to a barrier of new entrants into Kandahar Industrial Park. Factor analysis was employed as a data reduction technique. To test the validity of the instrument, KMO test was conducted. The KMO value for the instrument is 0.517, which is acceptable.

Similarly, Bartlett's test of sphericity tests the hypothesis that the correlation matrix is an identity matrix, which would indicate that the variables are unrelated and therefore unsuitable for structure detection. Small values (less than 0.05) of the significance level indicate that a factor analysis may be useful with the data. The Bartlett's test showed a significant level and hence the instrument was accepted for further study.

**Table 3: KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.517
Bartlett's Test of Sphericity	211.753
Approx. Chi-Square	
df	153
Sig.	.001

Since the entry barriers are large in number and are inter-related, factor analysis is done to extract the factors affecting the entry of new entrants into Kandahar Industrial park. Principal Component Analysis is the method of extraction. Varimax is the rotation method. As per the Kaiser criterion, only factors with eigenvalues greater than 1 is retained. Five factors in the initial solution have eigenvalues greater than 1.3 and together, they account for almost 52% of the variability in the original variables. The items falling under each of these factors are then dealt with quite prudently. Table 4. shows that the component and factors were identified

Component 1: Unfavourable Business Environment

Component 2: Fund flow and cost of the market

Component 3: Identification/Brand Image

Component 4: Competitive advantage

Component 5: Profit expectation

**Table 4: Factor loading and name**

Factors	Variable	Factor Loading	Factors derived name
1.	Access to distribution channel	0.821	Unfavourable business environment
2.	Heavy advertisement	0.701	
3.	Capital requirements to enter the market	0.80	Fund flow and cost of the market
4.	Capital intensity of the market	0.70	
5.	Incumbent firms possessing strategic raw materials/products	0.83	Identification/brand image
6.	Brand name/identification advantage held by incumbent firms	0.65	
7.	Expenses involved in entering in a market	0.716	Competitive advantage
8.	Incumbent firm with superior production process	0.664	
9.	Trade secrets by incumbent firms or completion in market	0.508	
10.	Number of firms in the market	0.686	Profit Expectations from entering the market
11.	High profit rates earned by incumbent	0.683	

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### Research Hypothesis:

Is to consider whether entry barriers are seen similarly important by existing firms. “Is there a significant difference in the importance amongst the barriers to entry?”

### null hypothesis:

*H0: The null hypothesis states that there is no difference in the level of importance amongst barriers to entry for new entrants into Kandahar industrial park.*

### Alternative hypothesis:

*H1: The Alternative hypothesis states that there is difference in the level of importance amongst barriers to entry for new entrants into Kandahar industrial park.*

The research hypothesis aims to evaluate whether entry barriers are similarly important to firms. Understanding the order of significance of barriers profoundly affects manager as they get ready to enter new markets and to policymakers who are in charge of progressing small venture development.

According to Karakaya and Parayitam (2013) high capital requirements for “firms” make the market unreachable for new participants, letting existing companies “firms” to control market share and procure higher benefits. On the other hand, capital requirements are not a barrier if the firm is bestowed with a huge financial resources (Karakaya and Parayitam, 2013).

If we arrange the entry barriers in table 2 from highest barrier to lowest barriers, so the top 5 entry barriers which has higher mean value would be Capital requirements to enter the markets (mean = 3.95); Infrastructure (Security, Electricity, road, environment, etc. (mean = 3.92); Trade secrets by incumbent firms or competitors in the market (mean = 3.87); Cost advantages and profitability uncertainty of the industry (mean = 3.8) and

Incumbent firms with cost advantages due to learning curves (mean = 3.72). And the last 5 entry barriers which have lower mean score would be [Number of firms in the market (2.72), Capital intensity of the market (1.85), Low prices charged by incumbent firms (1.58), Licensing requirements to enter and/or expand current operations (1.37), and Incumbent firms possessing strategic raw materials/products (1.35)].

Results indicated capital requirements influence firms very negatively. The differentiation is statistically important; yet, the interview respondents and means test affirmed this reality obviously. The outcomes also show that regulations/institutions are the smallest entry barriers in Kandahar industrial park. It is presumed that industrial park put fluctuating significance to the diverse entry barriers and this will assist chiefs with planning on the most proficient method to relieve against the barriers that are more basic to them.

### Proposition 1:

Proposition one states that there are entry barriers into Kandahar industrial park and make entry conditions tough for new entrants.

The first proposition of the research intended to reveal entry barriers into Kandahar industrial park and their effect to new participants. The study comes about uncovered outcomes that are mentioned in the literature and these are examined in detail under the accompanying sub-headings. The entry barriers that were revealed during the “interviews” were assembled into two sets; competitive advantage and capital requirements. Barriers to entry that fall under capital requirements are access to capital; capital intensive, access to infrastructure. And under competitive advantage, the entry barriers that were distinguished were access to product/molecules; access to market and pricing model. As per Shepherd (1979), entry barriers are “structural (exogenous) and strategic (endogenous)”. The recognized entry barriers during interviews were either structural or strategic which is in accordance with the literature.

## CAPITAL REQUIREMENTS OR FINANCIAL REQUIREMENTS

The findings of the research for capital requirement show that the highest 5 matters that were featured by respondents as key concerns for their achievement in Kandahar industrial park are Funding/access to capital, access to infrastructure, Trade secrets by incumbent firms, and Incumbent firms with cost advantages. Capital requirements construct/factor is indicated in Table 2 as the only entry barrier that got the top score of 3.95 from the results of the survey. This specifies entry cost which is required for participating in the industrial park and money-related necessities that are required for everyday activities or operations. The capital requirement barrier to enter the market statement which is a piece of the capital requirement construct/factor/class had a score of 3.02; which is the second most elevated score accomplished and the most minimal score of 1.85 in this class was Capital intensity of the market required to enter the market.



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### COMPETITIVE ADVANTAGE

The competitive advantage of incumbent firms over new entrants were recognized by respondents. Mostly respondents stated that access to distribution channels; long-term agreements/contracts; access to market; access to products/supply are the concerns which put new entrants into competitive disadvantage.

According to Table 5, competitive advantage is featured as an entry barrier with average score of 3.11. There were 2 important differences in the definite outcomes that need to be stated. The very first difference that incumbent firms believe on is that joint effort or facilitating agreements between existing firms is not an entry barrier. The average score of this statement is (2.9). As indicated by Johansson and Elg (2002), they expressed that connections between occupant firms can go about as a barrier whether it was planned or not, the result is the same.

The second statement that incumbent firm is not agreeing with is that existing firms have a cost advantage because of their experience as they gave an average score of 2.9.

Here is a difference with the “resource-based view theory”, according to Karakaya and Parayitam (2013) argued that “resources are fundamental in developing competence and sustaining competitive advantage to prevent market entry of new firms”.

Established firms have competitive advantage due to entry barriers. The huge capital requirements and competitive advantages are also interlinked. The findings of the research recognized three key concerns that put new participants at a disadvantage like pricing model, access to market, and access to products/molecules. To sum up, there is difference in the importance level of barriers to entry for new entrants into Kandahar industrial park

### Proposition 2:

Entry strategies exist to enter Kandahar industrial park which will handle the entry barriers Proposition two of the study tried to know whether new participants regardless of the difficulties and barriers to entry can enter effectively and gain success. Findings of research indicates that there are open doors for entry into Kandahar industrial park.

### Regulation:

The regulation is identified as a key opportunity for providing an open door for entry respondents believe that government rules and regulation need to be change regarding Kandahar industrial park. Respondents from those firms which are new into industrial park believe that the given price model by government isn't inspiring or helping entry, instead it negatively effects small entrants who have already entered Kandahar industrial park. In a few examples, it was recognized that licensing requirements a hindrance for new entrants because of its time consume and complexity. So, amendments in regulation regarding above issues will provide an opportunity for entry into new entrants, as respondents have faith in that a key role in change or “transformation” can be played by government and it's seen in their answers.

### Partnerships / Joint Ventures:

Significance of having a decent strategy and executing that technique well will contribute towards the achievement of that firm. Respondents believe that to gain success and have efficiency, partnership has to be formed like how existing occupants did.

For instance, a respondent says that *“We've been telling the new entrants that they should come together and you get 50 customers, he gets 50 and you get 20 and collectively you pull together the money. So, I think it all comes to cost because you must bring in a complete ship for economies of scale. So, I think economies of scale is another barrier. It's the cost, which is linked to economies of scale.”*

### Funding Opportunities:

Funding is almost key barrier for new entrants in Kandahar industrial park as its already discussed, respondents claim that government financial institutions are having a key role to facilitate new entrants with essential funding. Some respondents mentioned the lack of financing by private banks and if settled can display open doors for entry.

### CONCLUSION

Results regarding hypothesis indicated that there is significant difference in the importance level of barriers to entry. The differentiation is statistically important; yet, this fact is obviously being affirmed by interview respondents and mean analysis. The outcomes also show that regulations/institutions are the smallest entry barriers in Kandahar industrial park. It is presumed that industrial park put fluctuating significance to the diverse entry barriers and this will assist chiefs with planning on the most proficient method to relieve against the barriers that are more basic to them.

The purpose of proposition 1 was to recognize entry barriers for new entrants.



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According to the findings of the study “large capital requirements and competitive advantage of incumbent firms” are main entry barriers. The extensive capital requirements support existing firms due to their already present infrastructure and their easy approach to funding to meet the capital-escalated nature of the business. New entrants can't approach capital from financial institutions because of their deficit balance sheet to help it. So, due to their failure to access capital, they can't form the required infrastructure to be competitive.

The outcomes of research proposition 2 indicated that there is the possibility of entry into Kandahar industrial park, however the pricing model needs to be revised to certify that new entrants could recover its expenses and make a reasonable return on investment. It was identified as well that if new entrants want to gain success, they need to make joint ventures between themselves to bring down operational costs, share skill and offer benefits as an entry model. In addition, funding opportunity needs to be provided by state banks.

### Declarations:

### Availability of data and materials

The datasets used and/or analyzed during the current study are available from the corresponding author on reasonable request.

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