



Cross-border Mergers & Acquisitions and Institutional Integration: Path Selection and Implementation in Geely's Internationalization Strategy

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Abstract

During the current phase of global adjustment, cross-border mergers and acquisitions by emerging market multinational enterprises face institutional frictions and legitimacy challenges. Over 15 years, Geely has achieved global growth through 12 major acquisitions, yet its institutional integration logic remains underexplored. This study addresses the question: What mechanisms enable Geely's strategic leap from resource acquisition to ecosystem synergy? Using a longitudinal single case design with multi source data from 2010 to 2024, we dissect its integration logic across governance, technology, supply chain, and culture. Key findings show that Geely implements dual track governance ("control and empowerment"), achieves technological synergy via three modular platforms and five R&D centers, constructs a resilient supply chain through "1+N" dual sourcing and the Geega industrial internet platform, and enhances legitimacy via deep localization. Dynamic institutional innovation capability is critical to Geely's success, extending the "advantage substitutability" logic of the OLI paradigm and the "proactive innovation" perspective of institutional theory. We recommend that emerging market multinational enterprises adopt dual track governance, retain core teams of target firms, and develop modular technology platforms, while policymakers support the construction of global collaborative R&D networks and industrial internet platforms.

Keywords: Geely; Institutional Innovation; Institutional Integration; Internationalization Strategy; Mergers and Acquisitions

1. Introduction

Globalization has entered a period of profound adjustment, and the internationalization strategies of multinational enterprises (MNEs) are confronted with increasingly complex institutional environments and

technological transformation pressures (Contractor et al., 2026). As a critical means to rapidly acquire strategic assets, cross-border M&As suffer from low success rates. Particularly after the merger integration stage, synergistic effects often fail to materialize due to cultural conflicts, governance failures, and barriers to technology absorption (Brede et al., 2025). This problem is more acute for EMNEs: they typically lack mature international management experience and globally recognized brand equity, and face higher institutional frictions and legitimacy challenges when acquiring enterprises in developed countries (Yang et al., 2025).

Traditional theories such as Dunning's Eclectic Paradigm (OLI) emphasize the combined effects of ownership, location, and internalization advantages. However, EMNEs often do not possess complete OLI advantages at the initial stage, giving rise to the perspective of "strategic asset seeking M&As" (Wu et al., 2025). Existing studies mostly focus on M&A motivations and transaction structures, with insufficient exploration of the process mechanisms by which capabilities are internalized and ecosystem synergy is achieved through institutional integration after M&As. Institutional theory posits that organizations under multiple institutional pressures adopt corresponding structures to gain legitimacy (Kiwi et al., 2025). Nevertheless, when EMNEs integrate developed country enterprises, they often face tensions between "legitimacy pursuit" and "strategic control", and the balancing mechanism requires investigation in depth. (Peng et al., 2024).

Against this backdrop, the internationalization practice of Zhejiang Geely Holding Group provides a highly valuable case. Since acquiring Volvo Cars wholly for USD 1.8 billion in 2010, Geely has completed twelve major cross-border M&As in fifteen years, forming a global matrix covering seven brands including Volvo, Proton, Lotus, Lynk & Co, and Zeekr, and establishing three regional headquarters and five R&D centers. With total revenue exceeding RMB 179.2 billion in 2023, it ranked 225th on the Fortune Global 500 list. Unlike many EMNEs that failed in integration, Geely has realized deep synergy in technology, brand, and supply chain through a dual track integration model of "control and empowerment". Despite this, existing research remains inadequate: most are descriptive analyses of single M&A events, lacking a systematic review of the institutional integration logic behind serial M&As; insufficient discussion on the intrinsic connections among the four integration pillars of governance, technology, supply chain, and cross-culture (Wu, 2024); and failure to fully address how the Geely model expands the "advantage substitutability" in OLI theory and the "legitimacy acquisition path" in institutional theory.

To this end, this study raises the core research question: What institutional integration mechanisms has Geely adopted to achieve the strategic leap from resource acquisition to ecosystem synergy in cross-border M&As? What are the implications of this practical path for existing international business theories? The innovations of this study are reflected in three aspects: theoretically, integrating the OLI paradigm and institutional theory, proposing "institutional integration capability" as a key intermediary mechanism to compensate for initial ownership disadvantages; empirically, adopting a longitudinal single case method to systematically track Geely's M&A and integration process from 2010 to 2024, revealing the evolutionary logic of the four integration pillars; practically, refining the model of "strategically empowering institutional isomorphism", providing a replicable integration path for EMNEs.

This paper adopts a longitudinal singlecase research method, taking Zhejiang Geely Holding Group as the object to systematically analyze its path of global expansion through cross-border M&As and institutional integration. The remainder of this paper is structured as follows. Section 1 presents the introduction, which

outlines the global context, theoretical challenges, and the typicality of the Geely case, identifies the research gap, and articulates the core research question and innovations. Section 2 provides the literature review, covering the Eclectic Paradigm (OLI), the driving factors of cross-border mergers and acquisitions, and institutional theory, followed by a research synthesis and theoretical implications. Section 3 describes the methodology, detailing the longitudinal single case research design, case selection criteria, and multi source data collection procedures. Section 4 presents the results and discussion. It first outlines Geely's three developmental stages, namely domestic entrepreneurship, cross-border M&A and integration, and ecosystem development, and then analyzes three key acquisition cases involving Volvo, Proton, Lotus and Zeekr. It then extracts the institutional integration logic across four dimensions (governance, technology, supply chain, and cross culture) and concludes with an examination of future risks and challenges. Section 5 concludes the study by summarizing the core mechanism of "control and empowerment", discussing the theoretical contributions, and proposing directions for future research.

2. Literature Review

2.1 The Eclectic Paradigm of International Production

Since proposed by Dunning, the Eclectic Paradigm (OLI) has been the cornerstone theory for analyzing foreign direct investment (FDI). The theory states that enterprises need to possess three advantages simultaneously for FDI: ownership advantages (enterprise specific assets such as technology and brand), location advantages (market, cost, policy and other conditions of the host country), and internalization advantages (the ability to reduce external transaction costs through internal market transactions) (Bedida et al., 2026). In recent years, scholars have dynamically expanded the OLI paradigm. The internationalization of EMNEs often does not involve all three advantages in advance, but reversely acquires missing ownership advantages through "asset-seeking" FDI (Huang et al., 2024). Some studies further point out that the three types of advantages in the OLI framework are substitutable: significant advantages in one dimension can compensate for relative weaknesses in other dimensions (Panibratov et al., 2024), providing a flexible theoretical tool for explaining how EMNEs (such as Geely) achieve technological catch-up and brand leapfrogging through cross-border M&As.

2.2 Driving Factors of Cross-border M&As

The motivations of cross-border M&As are multidimensional and context-dependent. Market power theory emphasizes that M&As can reduce competition and enhance pricing power (Perkins & Shekhar, 2024); undervaluation theory argues that target enterprises undervalued due to temporary distress or information asymmetry constitute attractive M&A opportunities (Kim et al., 2025); diversification theory focuses on diversifying risks and exploring growth curves by entering new business areas (Sakhartov, 2024). For EMNEs, their cross-border M&As often exhibit prominent strategic asset-seeking characteristics. Specifically, EMNEs attempt to offset their competitive disadvantages by acquiring advanced technologies, global brands, and market channels (Wu et al., 2025). This "springboard" perspective has been supported by subsequent empirical

studies, with scholars finding that cross-border M&As by Chinese manufacturing firms have significantly improved their innovation output (Zhang & Yang, 2022).

2.3 Institutional Theory

Institutional theory provides a key framework for understanding how organizational behavior is shaped by the external institutional environment (laws, norms, cultural cognition). The theory holds that to obtain legitimacy, defined as the state of being perceived as appropriate and acceptable within the social context, organizations tend to follow the dominant rules and practices in the institutional environment rather than merely pursuing economic efficiency (Ahsan et al., 2024). Ahsan et al. (2024) identified three institutional isomorphism mechanisms leading to organizational convergence: coercive isomorphism (derived from laws, regulations and government pressure), mimetic isomorphism (derived from herding behavior under uncertainty), and normative isomorphism (derived from professional standards and industry associations). On this basis, Yang et al. (2025) proposed the concept of "institutional distance", pointing out that the legitimacy challenges MNEs face in the host country are positively correlated with the institutional differences between the home and host countries. Recent studies further focus on how MNEs proactively respond to institutional complexity through institutional innovation. Successful cross-border acquirers often adopt an ambidextrous integration strategy. They comply with the formal institutions of the host country and simultaneously gain acceptance from informal institutions through cultural integration and localized social responsibility practices. This insight has direct implications for analyzing Geely's institutional arrangement of retaining Volvo's management autonomy while promoting technological synergy after M&A.

2.4 Research Review

Based on the theoretical gaps identified in the above research review, this study provides three implications for the OLI paradigm and institutional theory. First, it reveals the dynamic substitution mechanism of OLI advantages in the stage after the M&A integration. The Geely case shows that EMNEs lacking initial advantages can compensate for technological and brand disadvantages through strategic asset-seeking M&As, with institutional innovation as the intermediary, realizing the complementary reconstruction and continuous transformation of ownership, location and internalization advantages, extending the explanatory power of OLI from investment decisions to the integration process. Second, it expands the analytical boundary of institutional theory from "passive isomorphism" to "proactive institutional innovation". Geely has actively constructed a "symbiotic" integration framework among multiple institutional logics through differentiated equity governance, joint R&D platforms and localized adaptation strategies, transcending the passive compliance with institutional pressures emphasized by traditional theories. Third, it proposes a three stage institutional integration path for EMNEs "from M&A transactions to ecosystem construction": asset acquisition, platform synergy and ecosystem construction. This model reconstructs integration after M&A as an organizational learning process of capability evolution, providing a dynamic analytical framework for understanding long term internationalization strategies. In summary, the Geely case not only verifies existing theories, but also expands the explanatory power of the two major theories in the context of emerging markets by revealing the advantage substitution mechanism, the possibility of institutional innovation and the three-stage path.

2.5 Theoretical Implications

From the integrated perspective of the OLI paradigm and institutional theory, the Geely case provides two core implications for the internationalization theory of EMNEs. First, the substitutability of OLI advantages. As a Chinese private enterprise without complete initial OLI advantages, Geely has compensated for its technological and brand disadvantages through strategic asset-seeking M&As. This practice verifies the proposition of advantage substitutability, which holds that significant advantages in one dimension can compensate for deficiencies in other dimensions, thereby providing theoretical support for the springboard internationalization of emerging market enterprises. Second, the dual-track innovation path in institutional integration. After M&As, Geely adopted a dual-track model of "strategic control and operational autonomy", which not only maintained the organizational independence of the acquired parties, but also achieved ecological synergy through technological collaboration and governance innovation, transcending passive institutional isomorphism and demonstrating a "strategic empowerment" path to legitimacy acquisition. In summary, the Geely case proposes an adaptive model: in a complex institutional environment, enterprises can dynamically build competitive advantages through advantage substitution and dual-track institutional innovation, which is a useful supplement to the OLI paradigm and institutional theory.

3. Methodology

3.1 Research Method

Given the complexity of the research question, this study adopts a longitudinal single case research method. Case studies are suitable for exploring process oriented "how" and "why" questions, enabling detailed analysis of phenomena embedded in real situations (Yin, 2018). The longitudinal single case design allows researchers to trace the dynamic process of organizational change over time, revealing evolutionary trajectories and underlying mechanisms (Eisenhardt, 2021). This study focuses on the mechanistic question of "how MNEs achieve sustainable global expansion through institutional integration following M&A", which is strongly process oriented and dynamically exploratory, naturally fitting the case study methodology framework. For EMNEs, their internationalization paths are often nonlinear, multistage and context embedded, and the longitudinal single case design can effectively capture these complexities.(Pereira et al., 2021).

Specifically, international M&A decisions, integration model selection and institutional synergy mechanism establishment all require longitudinal analysis within the time dimension. The exploratory longitudinal single case design helps to: first, systematically trace the evolutionary trajectory of institutional arrangements and integration strategies at different M&A stages; second, conduct multidimensional causal analysis of key M&A events and subsequent integration results; third, identify the core institutional elements and integration logic supporting successful cross-border M&As and global operations.

This method can profoundly reveal how enterprises realize the strategic leap from M&A transactions to ecosystem integration through institutional innovation and organizational learning under the dynamic external institutional environment and internal resource constraints, and clarify the internal correlation mechanism among institutional integration, capability reconstruction and global competitiveness development. Existing studies have shown that longitudinal single case research has significant value in revealing integration paths

following cross border M&A, especially suitable for tracking the dynamic process of enterprises responding to external institutional pressures and synergizing different institutional logics (Cheng, 2020). Therefore, adopting the longitudinal single case design is consistent with the problem orientation of this study, laying a methodological foundation for theoretical construction and mechanism explanation.

3.2 Case Selection and Data Sources

This case study takes Zhejiang Geely Holding Group as the object, traces its development trajectory, and analyzes how the company implements cross-border M&As and institutional integration in its internationalization strategy. Given the long time span of the study and the high cost of obtaining first-hand data, public documents are used as the main information source and basic materials, supplemented by cross-validation. Even if first-hand data can be obtained, the reliability and validity of the case study may be affected by both subjective and objective factors. To ensure methodological rigor, this study collects data from multiple channels with the help of information technology. Specific sources include: a) information disclosed on the company's official website, official media channels and financial reports; b) academic literature and authoritative newspaper materials related to the company retrieved from databases such as CNKI; c) public interviews, reports on the company obtained from online platforms such as Baidu and Zhihu, as well as research reports publicly released by third party consulting companies. After screening and filtering, data from each channel are triangulated and integrated into the case study database.

4. Results and discussions

4.1 Company Background: From Local Private Enterprise to Global Automobile Group

4.1.1 Domestic Entrepreneurship Stage (1986–2009)

Geely Auto Group originated as a private enterprise founded in China by Mr. Li Shufu, the major shareholder and chairman, and his business partners. Its roots can be traced back to a refrigerator accessories manufacturer established in Zhejiang Province in 1986. The company's early production facilities were relatively basic. In 1997, Geely officially entered the passenger car industry, becoming the first private passenger car manufacturer in China and the first enterprise not owned by the state to obtain a national passenger car production license. The company was listed on the Hong Kong Stock Exchange in 2005. In 2007, the launch of Geely's first midsize car "Vision" marked a major strategic shift from a low price competition strategy to a greater emphasis on technological autonomy. Despite progress, by 2009 Geely still faced three major growth constraints: first, a persistent low end brand image, with an average selling price of about RMB 50,000, less than half that of joint venture brands at the time; second, high technological dependence, especially relying on external suppliers for core components such as engines and gearboxes; third, limited market territory, with most sales concentrated in the domestic market and overseas business limited to a small number of Southeast Asian countries.

4.1.2 Cross-border M&A and Integration Stage (2010–2019)

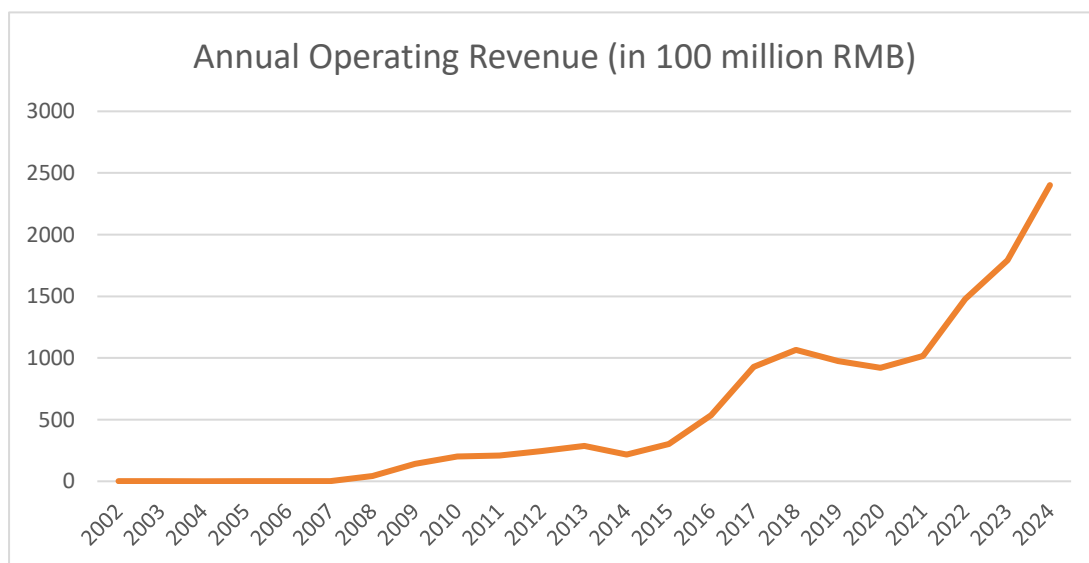
Geely's acquisition of Volvo in 2010 was a pivotal turning point. At that time, the Nordic premium car manufacturer was unprofitable, with annual losses of hundreds of millions of US dollars and a workforce three times the size of Geely. Therefore, Geely Group adopted a strategy of "empowerment and letting go" and

deliberately maintained organizational and operational independence. In terms of governance innovation, Geely adhered to the principle of "Volvo people managing Volvo", ensuring substantial autonomy in Volvo's decision making process. In terms of marketing and branding, communication deliberately avoided overemphasizing Chinese elements or Geely's corporate identity, instead strengthening Volvo's traditions and core values. Operationally, Volvo's premium positioning and established business model were preserved, with the company's global headquarters remaining in Gothenburg, Sweden, and nearly 100% of local senior management retained. In terms of technological reciprocity, Geely Auto and Volvo Cars jointly established the China Euro Vehicle Technology (CEVT) Center in Gothenburg in 2013, and subsequently launched the a new premium brand Lynk & Co. These initiatives promoted continuous interaction and collaboration between Chinese and Swedish engineering teams, finally jointly developed the CMA platform. This collaboration realized reciprocal knowledge transfer, laying an institutional foundation for sustained technological synergy(Jonsson & Vahlne, 2023).

4.1.3 Ecosystem Development Stage (2020–Present)

Deng (2024) points out that as a national pillar industry, the automobile manufacturing industry must implement a digital transformation strategy in the era of intelligent innovation. This is both an objective requirement of the digital economy development in the big data era and an endogenous motivation derived from the diversification of consumer demand and the improvement of core product competitiveness, aiming to reduce costs, increase efficiency and enhance operational efficiency. Against the background of the global shift to electrification and digitalization, Geely released the "Geely 2025 Strategy", a proactive development roadmap focused on achieving global synergy through deeper institutional integration. Since then, the group's globalization approach has evolved into a differentiated synergy matrix, characterized by brand stratification, technological synergy and regional adaptation. Through innovative modular vehicle architectures, Geely has demonstrated a more flexible ability to respond to customer needs in different markets.

Figure 1. Geely's Annual Revenue History from 2002 to 2024



Data source: Compiled by the authors based on Geely's official website

By the end of 2024, the group had more than 140,000 global employees, with annual total revenue growing steadily year on year. Geely's annual operating revenue shows a steady upward growth trend, as shown in Figure 1, revenue reached RMB 240.194 billion in 2024, of which domestic sales contributed RMB 186.299 billion and overseas business contributed RMB 53.895 billion, accounting for about 22.4% of total revenue.¹ Geely's global business footprint has now expanded to 81 countries, with a global network of 891 sales and service outlets covering Europe, the Middle East, Asia Pacific, Africa and Latin America. This configuration has established a unique competitive advantage, integrating China's cost efficiency, global technological resources and local market responsiveness(Wu & Morschett, 2023).

4.2 Analysis of Three Key M&A Transactions

4.2.1 Volvo Acquisition Case

From the integrated perspective of the OLI paradigm and institutional theory, Geely's strategic motivation for acquiring Volvo was to compensate for its own ownership disadvantages through asset-seeking M&As(Panibratov et al., 2024). As an EMNE, Geely lacked mature technologies, brands and overseas channels; the advantage substitutability in the OLI framework indicates that the acquisition of three types of complementary assets can replace initial disadvantages, which is consistent with the "springboard" behavior theory. From the perspective of institutional theory, The regulatory (EU standards), normative (professional ethics) and cultural cognitive institutional elements embedded in Volvo enabled Geely to overcome its country of origin disadvantage and lower legitimacy costs.

Specifically,Volvo's City Safety system, SPA architecture and other technologies made up for Geely's technological shortcomings, and the M&A realized technology internalization, shortening the R&D cycle and reducing transaction costs. With Volvo's safety reputation, Geely broke through the RMB 100,000 price ceiling and obtained an "institutional pass" to the premium market. Meanwhile, Volvo's mature distribution infrastructure in Europe and the United States directly provided Geely with international channels, avoiding the high cost of independent network construction. In summary, Geely achieved a leap from disadvantage to global competitiveness through advantage substitutability and legitimacy transfer.

In terms of institutional innovation, Geely adopted a symbiotic governance system supported by an organizational structure with dual headquarters, shifting from equity based control to strategic synergy through governance mechanism reform. Jonsson & Vahlne (2023) pointed out that to promote knowledge development and mutual learning, senior management of the acquirer must emphasize learning from and trusting the acquiree rather than controlling them. Equally important is the acquiree's trust in the new owner's intentions and its own commitment to learning, especially to enhance and maintain value. In terms of equity structure, although Geely held 100% equity in Volvo, it followed the "three principles of noninterference", only appointing two nonexecutive Chinese observers to participate in strategic supervision rather than direct management. A strategic committee chaired jointly by Li Shufu and Volvo's CEO was established to coordinate major strategic decisions while ensuring Volvo's operational autonomy.

¹ Data source: Geely 2024 Annual Report

In the field of technological cooperation, a lead partner model was adopted, where Volvo led in certain technological fields and the two parties carried out joint R&D. The key institutional outcome of this cooperation was the establishment of the China Euro Vehicle Technology (CEVT) Center in Gothenburg, Sweden. CEVT developed the Compact Modular Architecture (CMA), a highly flexible platform capable of supporting engines with three cylinders and four cylinders, hybrid and pure electric drive systems. The architecture can accommodate a diverse product portfolio, including sedans, hatchbacks, crossovers, SUVs and SUV coupes, and its modularity can meet the needs of different global markets. Notably, the service life of components (such as engines and gearboxes) developed under the CMA framework exceeds international standards by 46%, and the verification benchmark of its 7DCT gearbox significantly exceeds EU and US regulatory requirements.

In terms of integration results, Geely achieved a critical capability building trajectory, shifting from external resource dependence to endogenous and self sustaining growth. The cross-border integration between Geely and Volvo has evolved from initial resource support to a mutually beneficial symbiotic relationship, producing significant synergies in financial performance, brand repositioning and management system upgrading. Konda et al. (2023) pointed out that the integration of Volvo’s technological expertise and brand value played a key role in this success. By leveraging Volvo’s resources and capabilities, Geely was able to deliver innovative, high quality cars that were well received by consumers.

As shown in Table 1, through resource complementarity and joint market expansion, Volvo turned from a net loss of USD 1.5 billion in 2009 to a net profit of USD 1.43 billion in 2019, achieving a turnaround of approximately USD 2.93 billion over a decade. In depth penetration of the Chinese market played a key role: China’s share of Volvo’s global sales increased from 8% in 2009 to 22.6% in 2019, making it the brand’s largest single market and achieving successful repositioning of brand value.

Table 1. Overview of Volvo’s Financial Performance Turnaround

Indicator	2009	2019
Global Sales	374,000 units	705,000 units
Share of Sales in China	8%	22.6%
Operating Profit Margin	-4.2%	4.9%
Unit Production Cost	\$28,000	\$23,000
Localization Rate in China	30%	55%
Profit & Loss	-\$1.5 billion	\$1.43 billion

Data source: Compiled by the authors based on Volvo’s annual reports and Geely’s M&A announcements

The Lynk & Co brand launched based on the codeveloped CMA platform enabled Geely to enter the premium passenger car market. The brand achieved global sales of 215,516 units in 2019², with a per unit profit margin

² Data source: Official sales data of Lynk & Co.

significantly exceeding Geely's original models. This strategic initiative helped the parent brand get rid of its original low end image. In terms of management improvement, a bilateral integration path was adopted. For example, Geely implemented Volvo's VDA6.3 quality management system in its own brands, reducing the parts per million (PPH) defect rate to a level comparable to mainstream joint ventures in China.

4.2.2 Proton and Lotus Acquisition Cases

From the OLI paradigm perspective, Geely's acquisition of Proton aimed to compensate for the lack of ownership advantages and obtain location advantages. As an EMNE, Geely faced significant liabilities of foreignness in Southeast Asia. Proton's extensive distribution network in Malaysia and neighboring economies constituted a valuable location advantage, while the 30% automobile tariff in ASEAN formed a formal institutional barrier. Geely's acquisition of a 49.9% stake avoided the barrier through internalization, reflecting coercive isomorphic pressure. Despite Proton's declining market share due to outdated technology, its mature manufacturing and supply chain system provided Geely with a plug and play regional platform, significantly reducing the cost and time of building an independent brand. This confirms the "advantage substitutability" in the OLI framework: through asset-seeking M&As, acquired location and brand assets replace missing ownership advantages (Panibratov et al., 2024).

The acquisition of Lotus strategically applied normative isomorphism. Lotus is famous for its lightweight architecture, chassis tuning and aerodynamic expertise, but is limited by niche positioning and sluggish sales. Geely "borrowed" its cultural cognitive and normative institutional assets through the acquisition to overcome its own legitimacy deficit in the high performance car sector. A "dual track operation and technology grafting" model was adopted in integration: retaining the UK headquarters to lead the R&D of traditional sports cars to maintain institutional identity; meanwhile, establishing an electrification base in China to integrate Geely's SEA platform with Lotus chassis technology. This institutional innovation transcended passive compliance, demonstrating a path to building dual legitimacy through strategic empowerment. The all electric hyper SUV Eletre launched in 2022 successfully integrated Lotus' racing tradition with next generation electrification technology, verifying the effectiveness of this model.

Geely's institutional innovation resides in the design of a localized mechanism that is tailored to specific locations. In its cooperation with Proton, Geely implemented a two pronged strategy of "equity participation and technology transfer", relying on the "Big Dipper" strategic framework. The ASEAN Free Trade Area imposes high trade barriers on automobile imports, with tariffs as high as 30%, a cost unaffordable for Geely, which has long positioned itself as a cost effective brand. By acquiring a 49.9% stake in Proton, Geely effectively avoided Malaysia's regulatory restrictions, while ensuring influence on product planning and development through board and technical committee seats.

Under this structure, Proton's capability improvement revolved around seven strategic pillars to form a comprehensive empowerment system (as shown in Table 2), forming a virtuous cycle of mutual reinforcement between technology transfer and local innovation. This method not only revitalized Proton's operations, but also established a replicable model for Chinese enterprises' global expansion, thereby providing a "win-win" framework for international industrial cooperation.

Table 2. Proton’s “Big Dipper” Strategic Framework

Strategic Dimension	Core Content
Talent	Establish a talent development program; recruit more than 100 outstanding graduates annually and cultivate a localized talent pipeline through rotational training.
Channel	Expand the dealer network to 157 3S/4S outlets, building a sales system covering the whole Malaysia and 15 international markets.
Cost	We will establish a China-Malaysia joint procurement mechanism, optimize the supply chain structure, reduce component procurement costs, and further improve production efficiency.
Quality	Introduce Geely’s strict quality management system, establish unified quality control standards, and raise product yield rates.
Industrial Chain	Expand the supplier system to 238 suppliers, introduce 28 global suppliers (including Chinese enterprises), and create more than 150,000 jobs.
Factory Upgrading	Upgrade the Tanjung Malim plant to an annual capacity of 250,000 vehicles; build Malaysia’s first pure electric vehicle plant (annual capacity: 20,000–45,000 units).
New Product Development	Support the development of a new generation AMA platform and the e.MAS electric platform, launching at least one new model annually.

Data source: Compiled by the authors based on Geely’s official reports and public documents

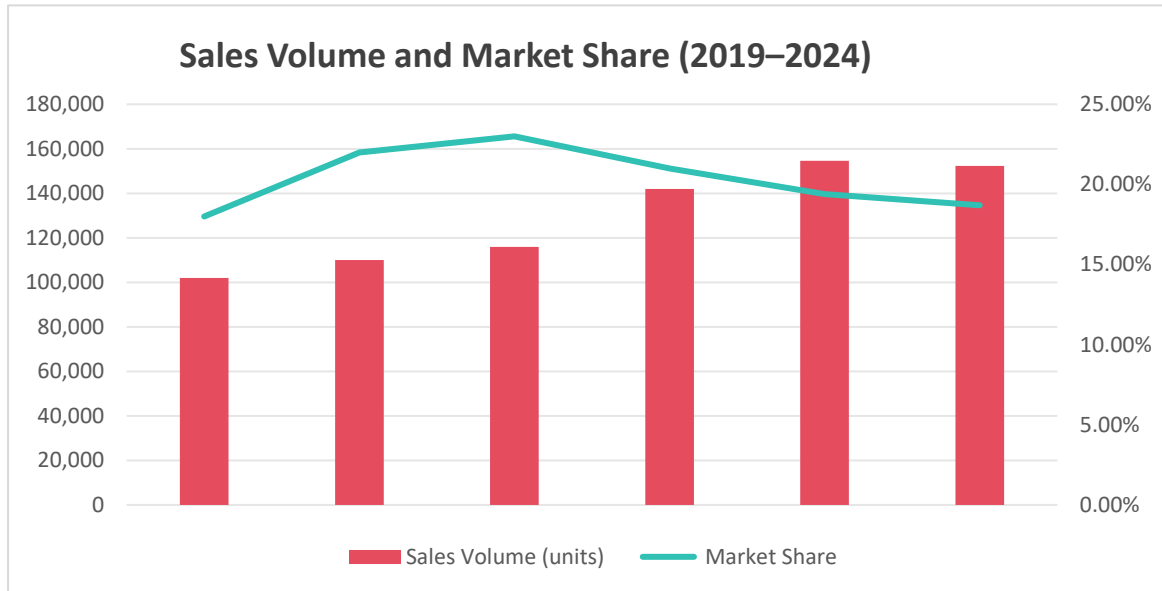
For Lotus, Geely adopted a "dual track operation and technology grafting" model. The brand’s UK headquarters continues to lead the R&D of internal combustion engine sports cars, while its Wuhan, China plant serves as the core base for electrification, with a new "Lotus Technology" subbrand established. Technologically, this integrates Geely’s Sustainable Experience Architecture (SEA) platform, equipped with an 800V high voltage system, with Lotus’ famous chassis and handling expertise. The first result of this synergy was the all electric hyper SUV Eletre launched in 2022, which successfully integrated Lotus’ racing tradition with next generation electrification technology.

Geely’s market expansion has achieved two key results: deep penetration of core regional markets and successful entry into the high end automobile sector. As shown in Figure 2, Proton sold 154,611 units in 2023, capturing a 19.4% market share in Malaysia, the highest level in nearly a decade³. Sales and market share have achieved sustained year on year growth since 2019. In addition to domestic recovery, Proton’s regional influence has expanded through increased exports and technology licensing, significantly promoting the growth of Malaysia’s auto parts industry and strengthening its role as a core participant in the national new energy vehicle supply chain. Zhang & Lim (2023) pointed out that in the Southeast Asian market, Geely revitalized Malaysia’s national brand Proton through technology transfer and localized operations. In 2024, Proton’s total

³ Data source: Compiled by the authors based on data from the Malaysian Automotive Association and Proton official reports.

sales were 152,352 units, ranking second in the Malaysian market for the sixth consecutive year with a market share of approximately 18.7%. Despite a slight year on year decrease of 1.5%, it still demonstrates the resilience of the "local brand and global technology" symbiotic model.

Figure 2. Proton’s Sales Volume and Market Share



Data source: Compiled by the authors based on data from the Malaysian Automotive Association and Proton

Meanwhile, Geely acquired a 51% controlling stake in Lotus, strategically entering the global high performance automobile sector. By leveraging Lotus’ internationally recognized brand and engineering expertise, especially in sports car chassis and lightweight technologies, Geely has both elevated its brand image and diversified its product portfolio. This move achieved Geely’s long term strategic goal: establishing a credible presence in the sports and performance car sector.

There is a clear logic of technological and brand complementarity among Geely, Proton and Lotus. Proton provides Geely with core right hand drive vehicle expertise and deep access to the ASEAN market, while Lotus contributes advanced sports car technology and global brand prestige. In return, Geely provides an advanced governance system, new energy vehicle platforms, and substantial R&D and capital resources, creating a synergistic ecosystem that enhances the global competitiveness of all three brands.

4.2.3 Zeekr Integration and Global R&D Restructuring

Geely’s strategic transformation to new energy is both an adaptive response to external institutional pressures and a dynamic reconstruction of internal ownership (O) and internalization (I) advantages(Bohnsack et al., 2020). From the OLI paradigm perspective, the technological assets (such as Volvo’s safety and platform technologies) and brand resources accumulated by Geely through early M&As constitute the basic ownership advantages for entering the new energy sector, but the acceleration of global electrification is diluting these advantages. From the perspective of institutional theory, regulatory changes such as the EU’s 2035 ban on

internal combustion engines and the US Inflation Reduction Act constitute coercive pressures, forcing Geely to reconfigure location (L) advantages and internalization mechanisms. By 2020, the penetration rate of global new energy vehicles rose sharply, and Geely faced dual pressures: externally, Tesla delivered nearly 500,000 units annually, and BYD accelerated its overseas expansion relying on integrated battery technology, directly challenging Geely's ownership advantages; internally, Lynk & Co and Zeekr had obvious product and price overlaps in the European market in 2021, leading to resource dispersion and channel competition. This indicates that Geely's original brand synergy and internalization governance were difficult to adapt to the new environment, and institutional innovation was urgently needed to reconstruct the governance model and technology integration path(Hu, Lyu, & Zhang, 2024).

In terms of institutional innovation, the focus shifted to establishing a governance architecture through equity integration and building a global collaborative R&D and knowledge integration network. Geely promoted the new energy transformation through two parallel institutional initiatives: brand portfolio optimization and technology sharing, and the construction of an integrated global R&D network. In terms of equity restructuring, Zeekr acquired a 51% controlling stake in Lynk & Co in 2024. The newly integrated entity was renamed "Zeekr Technology Group", while its legal entity Zhejiang Zeekr Intelligent Technology Co., Ltd. remained unchanged, now overseeing both Zeekr and Lynk & Co brands. This restructuring established a clear multilevel market positioning: Zeekr focuses on the luxury smart electric vehicle segment above RMB 300,000, such as the Zeekr 001 (shooting brake) and 009 (luxury MPV) developed based on the SEA platform, emphasizing extreme performance and software defined capabilities. Lynk & Co focuses on the high end hybrid market above RMB 200,000, attracting young family consumers with the brand identity of "European technical DNA and Chinese intelligent manufacturing". Geely and Geometry brands continue to cover the mainstream mass market below RMB 200,000, balancing cost efficiency and local demand.

Meanwhile, Geely's digital transformation is correlated to some extent with its financial performance trends, using digital technologies to reduce costs and increase efficiency (Colli et al., 2022). Geely implemented a "three tier R&D system and digital center" model to promote global technological synergy. As shown in Table 3, the structure includes: Advanced R&D led by the Gothenburg, Sweden center, focusing on breakthroughs in modular architectures (such as CMA), new energy powertrains and intelligent connectivity; application development undertaken by Hangzhou and Wuhan centers, transforming core technologies into marketable products; localized adaptation carried out by California and Malaysia facilities, focusing on L4 autonomous driving R&D and tropical environment vehicle optimization respectively. Supporting this R&D network is Geega, an industrial internet platform developed by Geely. Originating from automotive intelligent manufacturing, Geega is designed for cross industry applications, promoting data interoperability in the manufacturing process, improving R&D transformation efficiency and market adaptability. The shift from a product-centric manufacturing model to a user-centric intelligent manufacturing model is further reflected in projects such as "Guangyu Mingdao", which has achieved substantial digital transformation results using the Geega platform.

Table 3. Geely’s Three Dimensional Global R&D Layout

Region	Positioning	Core Achievements
Hangzhou, China	Application development & cost optimization	SEA architecture
Gothenburg, Sweden	Advanced technology R&D	CMA architecture
California, USA	Intelligent driving R&D	Autonomous driving algorithms
Coventry, UK	Sports car technology R&D	Carbon fiber body manufacturing, aerodynamic design
Malaysia	Localized adaptation	Right hand drive vehicle development, tropical climate battery management

Data source: Compiled by the authors based on public information from Geely’s official reports and technical white papers.

The transformation has achieved a capability leap, enabling Geely to enter the high-end market and achieve greater synergy and efficiency in its global R&D layout. Zeekr and Lynk & Co are the twin engines driving the Geely Group’s high-end and global strategic transformation, and they are continuously integrating in the group’s portfolio to strengthen their differentiated market positioning. In 2023, the two brands achieved significant growth in both sales and brand assets through unique strategic positioning and precise market execution. Zeekr has established a firm foothold in China’s high-end pure electric vehicle segment, with annual deliveries of 118,685 units and an average transaction price of approximately RMB 285,700, close to the key RMB 300,000 price range⁴. Its flagship model Zeekr 001 has become the first Chinese high-end pure electric vehicle model to enter the mainstream European market. As the carrier of Geely’s "European technical DNA", Lynk & Co has achieved competitive advantages by integrating European engineering heritage (via the CMA architecture co-developed with Volvo) and Chinese manufacturing efficiency. Nearly half of its 2023 sales came from new energy vehicles. This combination of standard synergy, such as meeting European safety expectations and chassis tuning, and cost control of the Chinese supply chain has enabled Lynk & Co to provide attractive value, thereby deepening its market presence in Western European countries such as Germany and the Netherlands.

4.3 Core Logic of Institutional Integration

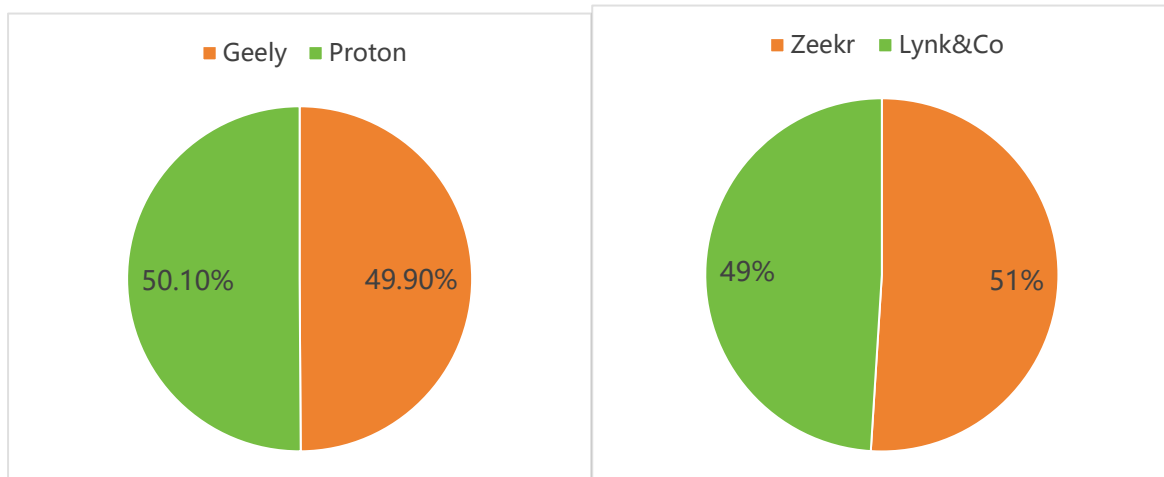
4.3.1 Governance Structure

Geely has skillfully practiced the art of balancing control and empowerment, navigating the inherent strategic tensions with exceptional skill (Vuorenmaa, 2024). As shown in Figure 3, Geely has adopted differentiated

⁴ Data source: Zeekr 2023 Official Annual Report

equity strategies and governance models in cross-border M&As and brand integration. The high degree of autonomy granted to acquired companies enables them to maintain innovative capabilities while successfully integrating with the acquirer (Konda et al., 2023). Based on this approach, Volvo’s integration achieves veto power over major strategic decisions through holding equity, while retaining operational autonomy. The original management team retains responsibility for daily operations, ensuring strategic consistency with the parent group while maintaining Volvo’s unique brand identity.

Figure 3. Differential Equity Allocation in Cross-Border M&A and Brand Integration



Data source: Compiled by the authors based on Geely’s official annual reports and public information

For Proton, Geely acquired a 49.9% stake, a design that respects national sensitivities and local pride, thereby gaining strong government and public support in Malaysia while complying with local foreign investment regulations. This minority but influential stake enables Geely to provide strategic guidance without triggering regulatory restrictions or alienating local stakeholders. In the synergy between Geely Auto and Lynk & Co, Geely maintains a 51% controlling stake to coordinate core functions such as R&D and procurement, achieving economies of scale and scope. Meanwhile, Lynk & Co retains an independent local operation team, enabling it to adjust strategies according to its unique brand positioning. This structure promotes the organic combination of group level resource sharing and brand level agility.

Meanwhile, Geely attaches great importance to cross-cultural management as a strategic pillar of global operations. With the accelerating integration of the world economy, commercial exchanges between countries are increasing. However, in the international business environment, these frequent exchanges, communications and exchanges are not only simple commercial transactions, but also collisions between different cultures (Lim, 2022). In cross-border acquisitions, Geely has consistently made retaining core management teams a key component of its integration strategy. A notable example is its approach to Volvo: Geely consciously retained the existing organizational structure, reappointed the current senior management, and granted them substantial autonomy in daily operations. Retaining leaders familiar with the company’s traditions, culture and operational practices helps ensure organizational stability and business continuity. This approach not only smooths the

transition in the early stage of acquisition, but also promotes the effective integration of local management expertise with Geely's broader strategic goals.

In terms of cultural integration, Chairman Li Shufu proposed a vision of building a global corporate culture based on the integration of the world's best cultural elements. He emphasized embracing diverse values and philosophical perspectives, believing that this cultural openness is not only crucial for corporate value creation, but also contributes to broader social progress.

4.3.2 Technology Integration

Geely utilizes a portfolio of three modular platforms to achieve cross brand synergy (Konda et al., 2023). The Compact Modular Architecture (CMA) serves as the basic R&D platform, providing a shared technological foundation for Volvo and Geely brands. As a benchmark for compact car cooperation, this architecture enables Lynk & Co to enhance product quality through Volvo derived engineering technologies while supporting Volvo's market expansion goals. This creates strong synergies in the compact car segment, optimizing development costs and accelerating time to market.

The Scalable Product Architecture (SPA) provides unique cost and technological advantages in the mid to large and luxury vehicle categories. Applied to models such as the Volvo XC90, it is also adopted by the Lynk & Co 09 series and Zeekr 009, enabling the latter to achieve advanced chassis performance and sophistication. The cross brand application of this high end architecture allows Geely to efficiently allocate resources across its product portfolio, while providing consumers in different segments with vehicles with mature luxury qualifications.

The Sustainable Experience Architecture (SEA) is a dedicated electric vehicle platform that embodies flexibility through its scalable wheelbase and adaptive design. It supports a range of models from the Zeekr 001 to the Lotus Eletre, significantly shortening the R&D cycle and enabling Geely's brands to seize first mover advantages in the global pure electric vehicle market.

In Geely's global technology architecture, the patent sharing mechanism constitutes a key institutional arrangement. By implementing cross licensing agreements for intellectual property rights, it dismantles technological barriers within the group, thereby giving birth to a highly synergistic innovation ecosystem that becomes the core driving force for the group's collective technological progress. Under this framework, Volvo grants Geely safety patents such as the WHIPS neck protection system, which enhances the safety performance of Geely vehicles. Conversely, Geely authorizes Volvo with its advanced powertrain technologies, including high efficiency motors, to accelerate Volvo's electrification transformation. This two way empowerment model integrates patent resources through technology centers, while improving product competitiveness and optimizing the group's technological resource allocation. Cross brand R&D teams conduct secondary development based on shared patents, accelerating the adoption of new technologies and product iteration.

Geely's global R&D configuration reflects exquisite spatial and temporal coordination. In addition to utilizing time zone differences to achieve nearly continuous development cycles, it also strategically aligns regional capabilities with specific value chain links. The Swedish team focuses on high value upstream innovation (such as solid state batteries) using its expertise in advanced materials science. Meanwhile, the Chinese team focuses on downstream engineering and industrialization (such as battery pack design) with strong manufacturing scale

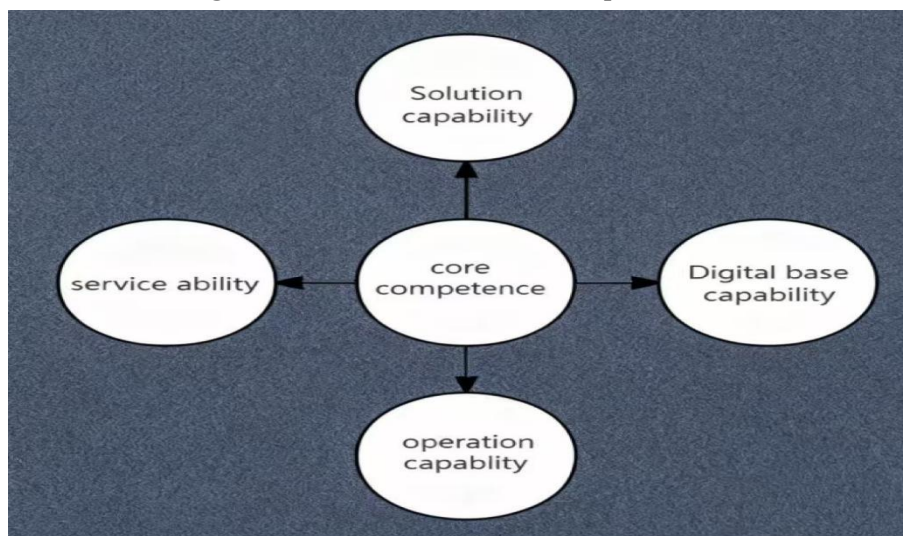
and cost efficiency. This professional division of labor based on comparative advantages creates a synergistic system that accelerates time to market while optimizing the R&D cost structure.

4.3.3 Supply Chain Management

Against the background of intensifying global competition, Geely has constructed a supply chain system characterized by the dynamic balance between global procurement and regional adaptation (Bureth, 2025). This model is mainly realized through two core mechanisms: the "1+N" supplier management framework and intelligent platform based collaboration enabled by the industrial internet.

Geely's "1+N" supplier framework constitutes a dual source procurement strategy, aiming to balance cost efficiency and supply chain resilience. The "1" refers to selecting one global strategic partner for each core component category. By signing global strategic framework agreements with leading suppliers such as CATL, Bosch and Faurecia, Geely achieves large scale centralized procurement of key components such as power batteries, semiconductors and seat systems. This approach fully leverages economies of scale to reduce total procurement expenditure, while ensuring consistent quality through cooperation with world-class suppliers. The resulting concentration of procurement volume also enhances Geely's bargaining power, significantly improving its cost competitiveness. The "N" part includes multiple regional local suppliers, providing flexibility and localized advantages. In Southeast Asia, Geely has certified local partners including PHN Industry (Malaysian tire manufacturer) and Inokom (local assembly partner). In Europe, it cooperates with mature regional suppliers such as Germany's Continental and France's Faurecia. This multisource procurement model implements a "global standards, local supply" approach, ensuring that products follow unified quality benchmarks while reducing logistics and operating expenses by utilizing the geographical proximity of regional suppliers. The resulting configuration enhances the flexibility and reliability of Geely's global supply network. As shown in Figure 4, the core capabilities of Geely's industrial internet platform (Geega) cover four dimensions: solution capability, service capability, operational capability and digital basic capability. These dimensions support each other, jointly forming the basic architecture for the platform to empower intelligent manufacturing and global operations.

Figure 4. Dimensions of Core Competitiveness



Data source: Compiled by the authors based on Geely's official technical white papers and public information

In terms of operational capability, the Geega platform continuously optimizes production processes by collecting real time equipment data from global factories, with Overall Equipment Effectiveness (OEE) as the core performance indicator. Taking the Lynk & Co Chengdu plant as an example, the platform conducts real time monitoring and data analysis on the welding process, accurately identifies the abnormal welding spatter rate, and effectively reduces the spatter rate through process parameter adjustment and equipment status early warning. This improvement not only enhances the quality of welding points and the consistency of body appearance, but also significantly reduces rework and scrap costs. Meanwhile, the platform uses data mining technology to locate bottleneck links in production, supporting the factory to formulate targeted improvement measures, ultimately significantly shortening the order delivery cycle and substantially improving overall production efficiency.

In terms of digital basic capability, with the increasing awareness of environmental protection, consumer preferences for car purchases are continuously shifting to new energy vehicles. This structural change in user preferences has cultivated an important customer base for the new energy vehicle market, and also put forward higher requirements for enterprises' carbon footprint management capabilities. The Geega platform uses blockchain technology to record and trace the carbon footprint of components throughout the chain. On the one hand, it meets the compliance requirements of the EU's New Battery Regulation (EU 2023/1542) and CBAM, effectively avoiding potential international trade barriers; on the other hand, the platform provides Geely with systematic and verifiable carbon emission data, helping enterprises scientifically formulate energy conservation and emission reduction strategies, reduce the carbon intensity of the product life cycle, thereby enhancing the environmental image and sustainable development competitiveness.

In addition, the platform's solution capability is reflected in providing customized process improvement plans for specific scenarios such as welding spatter control and bottleneck process optimization; service capability covers cross factory data analysis support, remote operation and maintenance services and supply chain collaboration services, thus comprehensively supporting Geely's intelligent manufacturing upgrading and global operations.

4.3.4 Cross-cultural Integration

The success of multinational enterprises in cross-cultural operations does not depend on the specific strategy adopted, but on the implementation of an appropriate strategy that balances "globalization" and "localization" approaches (Chung & Sparrow, 2024). Through localized operations and fulfillment of local social responsibilities, Geely has shifted from respecting cultural differences to cocreating value with local communities. (Grünfelder & Baumann Montecinos, 2025)

In localized operations, Geely has achieved excellent product adaptation through keen product localization strategies. This is particularly typical in the Southeast Asian market: Proton models are customized to fit local preferences by integrating Malay voice interaction and offering durian fragrance options, thus closely aligning with regional culture and consumer tastes. In Southeast Asia, Proton OEM models integrate unique local elements such as Malay voice interaction and durian fragrance. For the European market, the Zeekr 001 is equipped with an "EU data privacy mode", storing user data on servers in Germany to ensure strict compliance with the General Data Protection Regulation (GDPR). Vehicles for the Middle East are equipped with batteries

and thermal management systems specially optimized for high temperature environments, significantly improving cooling performance to meet extreme climate needs.

Geely's channel innovation approach is characterized by strategic flexibility. The company dynamically configures its market entry mode and distribution architecture according to the unique commercial, cultural and institutional environment of the host market. In Europe, it adopts a flexible "subscription and direct operated experience store" model, providing lease terms of 3 to 36 months, lowering the threshold of car ownership and cultivating brand loyalty. In Southeast Asia, it strategically retains Proton's existing dealer network, supplemented by an online sales platform, thereby extending its reach to lower tier cities and improving overall market penetration.

Geely has demonstrated its commitment to corporate social responsibility through targeted local human capital investment. A notable example is the establishment of the "China-Malaysia Future Academy" in Malaysia, offering professional courses in automotive engineering and intelligent manufacturing. This initiative enhances the talent reserve of the local automotive industry and promotes sustainable industrial development. In European operations, Geely attaches great importance to employee welfare to promote harmonious labor relations. The company meets material needs by providing market competitive salaries, comprehensive welfare plans and equity incentive programs. Meanwhile, it supports professional development through a dual track career development system and structured training programs. In cross-border acquisitions, Geely adheres to commitments such as "no layoffs and headquarters retention", helping to stabilize the workforce and maintain organizational cohesion. By retaining Volvo's original salary structure and establishing an effective negotiation mechanism, Geely has established deep trust with local trade unions.

Culturally, Geely's corporate philosophy is condensed in the values of "respect, empowerment, and happiness for people" and the vision of "let Geely cars travel all over the world". Volvo, on the other hand, adheres to the principles of "safety, quality, and environmental protection", focusing on the creed of "professionalism means focusing on customer needs". Through these localized CSR strategies, Geely has achieved collaborative value creation between enterprises and employees. This approach provides a replicable model for addressing industrywide challenges such as labor shortages in manufacturing, strengthening Geely's image as a "preferred employer", and helping to build differentiated competitive advantages in talent acquisition.

4.4 Future Risks and Challenges

4.4.1 Coordination of Multi brand Synergy and Resource Allocation

In Geely's brand portfolio, brands such as Zeekr, Lynk & Co, Volvo and Lotus together form a product matrix covering the price range from RMB 200,000 to the ultra luxury market. Although this diversified structure enhances market coverage and creates differentiated competitive advantages, it also brings significant challenges in managing brand synergy and optimizing resource allocation (Karlsson & Sköld, 2018). Taking Zeekr and Lynk & Co as examples, although their layered pricing strategy has partially alleviated direct competition in the RMB 200,000–300,000 range, some models launched in 2023, such as the Zeekr 007 and Lynk & Co 08 EM-P, still have overlapping product specifications, leading to internal competition and customer diversion in sales channels. From a R&D perspective, the independent development systems maintained by each brand further exacerbate inefficiency. Parallel development of Zeekr's SEA platform and

Volvo's SPA2 platform leads to redundant investment and fails to fully leverage economies of scale. For example, Zeekr's R&D expenditure in 2024 significantly exceeded the industry average, highlighting potential inefficiency in resource allocation. Although Geely's diversified brand strategy successfully broadened the customer base in the growth stage, it has also diluted the salience of the parent brand. Unless Geely can establish a stronger collaboration mechanism and integrated platform, sustained internal competition may not only push up operating costs, but also weaken the separate market competitiveness of each brand. Ultimately, these synergy challenges may jeopardize the strategic intention behind Geely's overall brand architecture.

4.4.2 The Prosperity Paradox in the New Energy Transition

In 2024, price adjustments of Tesla's Model 3/Y series and BYD's "Glory Edition" models intensified competition in the new energy vehicle sector. In response, Geely was forced to participate in industrywide price competition. Although such pricing strategies help maintain market share, they have exerted considerable pressure on the company's financial performance. Sustained price wars may compress the net profit margin of Geely's new energy product portfolio, thereby potentially restricting the company's ability to invest in high end R&D and long term brand building, challenging the implementation of its strategic route. (Kim, 2021)

In the era of rapid expansion of the global new energy vehicle industry, battery recycling has become a key issue closely related to sustainable resource utilization and environmental protection. In the field of power battery innovation, Geely aims to achieve mass production of all solid state batteries by 2027. However, this technological path faces fierce global competition, with industry leaders such as Toyota and CATL also increasing R&D investment in solid state batteries. In addition, the production cost of all solid state batteries is estimated to be twice that of current lithium ion solutions. Any delay in technological breakthroughs or failure in cost control may extend the R&D cycle and weaken the return on substantial upfront investment. These setbacks will not only jeopardize Geely's technological competitiveness, but also weaken its strategic positioning in the global new energy vehicle transformation.

4.4.3 Geopolitical and Supply Chain Risks

Although Geely has significantly expanded its global footprint through mergers and acquisitions, which has enhanced brand awareness and driven sales growth in regions such as the Middle East and Eastern Europe, this international presence also exposes the company to higher geopolitical uncertainty (Contractor et al., 2026). For example, in the EU, ongoing countervailing investigations into Chinese electric vehicles may lead to higher tariff barriers. For example, in the EU, ongoing countervailing investigations into Chinese electric vehicles may lead to higher tariff barriers. Although Geely has taken measures to mitigate such trade risks, such as establishing production capacity at its Polish plant, its supply chain localization rate remains low, constituting a continuous vulnerability.

As a leading automobile manufacturer, Geely's efficient supply chain operations are crucial for maintaining market share and customer satisfaction. However, ongoing global supply chain disruptions continue to affect Geely's operational efficiency and cost control. The global semiconductor shortage, which is expected to persist until 2025, has led to a significant extension of delivery cycles and sharp price increases for key components

such as ESP chips, directly interfering with automobile production plans. In the power battery sector, price fluctuations of key raw materials such as lithium carbonate have increased the cost per vehicle; for example, the cost of Zeekr models has increased by approximately RMB 12,000, thereby compressing the already tight profit margins. In addition, logistics disruptions caused by the Red Sea crisis have extended the delivery time of components for the European market, impairing the timeliness of export business and ultimately affecting customer satisfaction. These recurring disruptions highlight the vulnerability of Geely's global supply chain to external shocks and emphasize the need to enhance resilience and strategic localization.

5. Conclusion

5.1 Research Conclusion

This study takes Zhejiang Geely Holding Group as a longitudinal case to explore how EMNEs achieve sustainable global expansion through institutional integration after cross-border M&As. The conclusion shows that: Geely adopts a dual track governance model of "control and empowerment", flexibly allocating equity and governance authority according to the strategic value and legitimacy needs of target enterprises; realizes cross brand technology sharing and bidirectional knowledge transfer relying on three modular platforms (CMA, SPA, SEA) and a global R&D network; builds a resilient supply chain through the "1+N" dual source procurement and Geega industrial internet platform, balancing economies of scale and regional flexibility; enhances host country legitimacy and organizational cohesion through deep localized operations and cross cultural value cocreation. The key to Geely's success lies in its dynamic institutional innovation capability(Konda et al., 2023), which realizes the substitution and reconstruction of ownership advantages through strategic asset-seeking M&As, constructs a "strategic empowerment" ecosystem beyond passive institutional isomorphism(Liang, Giroud & Rygh, 2021), expands the explanatory boundary of "advantage substitutability" in OLI theory, and provides practical evidence for the transformation of institutional theory from "passive adaptation" to "proactive innovation".

5.2 Research Prospect

Although this study reveals the key mechanisms of Geely's cross-border M&As and institutional integration, there are still certain limitations and directions for future research. First, the generalizability of single case research is limited. Future studies can adopt multi case comparison or quantitative methods to test the universality of constructs such as "institutional integration capability" and "strategically empowering isomorphism"(Eisenhardt & Graebner, 2007). Second, the long term dynamic evolution mechanism still needs to be tracked. Subsequent studies can further focus on Geely's integration evolution in solid state batteries, autonomous driving, geopolitical response and other aspects, exploring the dynamic attenuation or reconstruction mechanism of institutional integration capability. Third, the interactive effect between institutional environment and organizational response deserves in depth exploration. Variables such as institutional distance and industry competition intensity can be introduced to construct a more refined mediation and moderation model, revealing the differential effects of integration strategies in different institutional contexts(Cheng et al. 2023). Fourth, the role of AI and digital tools in institutional integration

remains to be explored. Future studies can focus on how generative AI and industrial internet reshape knowledge integration after M&A, compliance management and cultural integration processes, injecting new technological dimensions into institutional integration theory (Marshall Park et al., 2025; Nzembayie & Urbano, 2025). The advancement of the above directions will help deepen the understanding of institutional integration processes following cross border M&A of EMNEs, and improve the external validity and practical guiding value of the research conclusions.

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