

The internationalization of Emerging multinational companies.

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- **Table of contents**
- **Tables and figures**
- **Appendices**
- **Reference list**

CHPATER 1: INTRODUCTION

Introduction

With the expanding presence of multinational corporations from emerging economies, the global business landscape is evolving rapidly. As a result of this growth, research into emerging economy MNCs' (EMNC) internationalization behavior has exploded. There were a few investigations into the EMNCs' internationalization outside of the BRICS countries. By focusing on the knowledge and commitment components recorded in company networks, this study aims to analyze the opportunity project development of exporting from BRICS countries to other foreign countries. The case study also has the opportunity to highlight the need to go beyond the internationalization of new businesses or born global in high-tech companies.

Increased globalization refers to several initiatives such as trade liberalization and greater international competitiveness, which have established the political and legal circumstances for a strategic approach of enterprises from developing countries. Exports are a major growth tool for organizations, particularly those with a small domestic market share. This could be because of a lack of local demand, a tiny market or a confined industry, or because of the maturation of the firm's actions or those of competition. The majority of multinational corporations (MNCs) are headquartered in wealthy nations. United Nations Conference on Trade and Development (UNCTAD, 2008) estimates that developed countries account for 84.6% of global FDI, however this percentage has been declining since the early 1990s. Development nations' FDI flows expanded at a faster rate than developed countries' FDI flows over the last decade, and the

emerging economies' share of global FDI flows quadrupled over this time period, making them major global participants. There are those who argue that MNCs from advanced markets lack the same real estate configuration as those from advanced nations, which gives them an advantage when competing abroad. Other factors, such as the level of education of the workforce and the firm's access to capital, may also impact a firm's competitive edge. All of these considerations make it difficult for the business from a poor nation to compete in the world market.

Despite the recent growth of this research area, no effort was made to directly compare the internationalization processes of enterprises from industrialized and developing nations. As a result, this research seeks to answer the following query. What are the differences between an MNC from a developing economy and one from a developed country when it comes to internationalization? The goal is to show the contrasts and commonalities between process of internationalization in nations at various stages of development through a variety of case studies. What follows is an outline of the rest of the document. Section two discusses the existing material on internationalization methodologies, empirical evidence on MNCs, and the theoretical framework. Section three goes into detail on the technique used throughout the paper. Section four presents empirical findings, and Section five discusses those findings. Section six presents the study's findings, and section seven discusses the implications of those findings.

Background

Internationalization of EMNCs to access and participate in global markets has caught the attention of industry academics and practitioners due to their active acquisition of abroad assets around the world. Many studies have examined why and how multinational corporations expand internationally, but few have examined how these multinational corporations develop and

maintain their significant competitive advantage in a global marketplace. Limited research has been done to describe these multinational corporations' excellence and how they contend succeed in the global consumer market. EMNCs' current international model is focused on worldwide acquisitions, thus scholars and practitioners alike must fully comprehend the motivations behind these deals forces at work in their favor. EMNCs and their abroad strategic activities are strongly influenced by the drivers driving foreign investment. Advanced MNCs cannot present effective strategic answers to safeguard and strengthen their existence in this dynamic and rapidly changing world without even a comprehensive awareness of the advantages of EMNCs.

For this reason, we want to fill the interesting research gap by looking at how and why EMNCs are willing to be so bold and confrontational in their quest for going global in defiance of the customary, development methodology. This paper aims to fill the interesting research gap from a physician's perspective. As a result, we consult secondary information, as well as recent studies on the globalization of EMNCs. We make our points in three stages.

It doesn't matter what definition you use, emerging economies are generally defined as "low income, rapidly growing countries that use economic liberalization as their principal growth engine." The BRIC countries represent emerging economies (i.e., Brazil, Russia, India, and China). Hong Kong, Singapore, South Korea, and Taiwan are no longer included, as those countries are now considered high-income economies. Companies seeking a sustainable competitive edge now have more options than ever before thanks to the enormous changes in the global environment over the last two decades. EMNCs, in particular, have boosted their international expansion through FDI.

EMNCs, on the other hand, are not a uniform or easily discernible group. As a result, generalizations about MNCs as a whole should be approached very cautiously. Nevertheless, a significant body of work on the internationalization of EMNCs reveals that EMNCs differ from their modern counterparts in several ways. The most surprising trend is that EMNCs are increasingly turning to aggressive offshore acquisitions as a means of speeding up internationalization and catching up to the established global players. EMNCs have expanded internationally in recent decades in order to acquire intangible assets such as technology and brands. An rising number of EMNCs use overseas acquisition as a key strategic strategy for acquiring external know-how to enhance their in-house resources. They can address some of their most pressing needs, expedite their international, and make the strategic jump to "developing transnational" status by acquiring companies abroad. The Bertin brand in Brazil was purchased by JBS in the Brazilian quest becoming the biggest beef processor worldwide.

EMNCs with limited technological capabilities are more likely to acquire innovative enterprises in developed economies because acquisitions give them access to far more resources than green-field investment. For example, Huawei Technologies, China's largest telecom equipment producer, has built up its knowledge in optical communication technologies by purchasing OptiMight and Cognigine, two small high-tech U.S. enterprises that have the intellectual inputs that complement their own firm-specific assets. As a result of the purchases and its low-cost structure, Huawei is better placed to expand (Dunning, 1988).

Objectives

The objectives of the study are:

- To analyze the internationalization process adopted by emerging market multinational corporations
- To assess the comparison with multinational companies from developed economies with emerging economies
- To examine the case studies
- To articulate the policy response

Research Question

- How do Emerging Market Multinational Corporations succeed to establish their operational strategies considering the nature of the global market with the presence of fierce multinational companies from developed countries through the application of internationalization processes?

The other related sub questions that the study will follow will as below:

- What does the internationalization process of EMNC's imply?
- What are the variables, dimensions and elements to be considered in the analysis of the process varying from a country to another?
- How does the internationalization process of EMNCs from BRICs economies compare to MNCs from advanced economies?

Research Problem

EMNCs confront a variety of difficulties when expanding internationally. This book examines how enterprises in Asia, Eastern Europe, South Africa, and Latin America have changed in the last few years. Firms have made strategic blunders in the situations studied, which show how to

avoid them. According to the authors, potential solutions needs can be identified among EMNCs can be found in a framework divided into two main parts that are thoroughly examined in separate chapters: admittance country selection and deep state and successful implementation choice of location for operation, incorporation, and expansion of operations. Following the selection of the country, managers must determine the entrance, which explains how complementary resources can aid the internationalization process. It's possible that technology serves as a competitive advantage, while marketing is simply a tool to help the company sell its products and services. Lack of complementary resources is a negative, according to the authors, because the absence of a fully functional overseas operation reduces any other resource advantages created (Dunning, 2000).

Despite the fact that most multinational corporations (MNCs) are based in rich nations, enterprises from underdeveloped countries have grown in importance in the previous decade and some of them have become important international players. Even though MNCs from emerging economies may not have the same property structure as those from developed countries, functioning in more fully grown domestic markets gives employers an advantage when competing abroad. Other considerations, such as the level of education of the workforce and access to capital, may also impact a company's ability to compete. Even in an increasingly globalized economy like today's, it's tough for an enterprise from a developing country to thrive.

Gap of the Study

Despite the recent growth of this field of study, very few attempts have been undertaken to compare the internationalization processes of enterprises from industrialized and emerging nations directly. This paper tries to fill in the blanks by addressing the following issues. What are

the differences between an emerging country MNC's internationalization process and one from a civilized nation? What are the ramifications for the pattern and speed of international research? The goal is to show the contrasts and similarities between the internationalization processes of different companies. Differentiating a developed country MNC's internationalization process with an emerging country MNC's global expansion reveals lessons to be gained from both.

CHAPTER 2: LITERATURE REVIEW

Several scholars have attempted to study the internationalization processes of MNCs from emerging nations because of their growing academic and commercial significance. A study conducted by these companies reveals that internationalizing MNCs from developing nations has an incremental behaviour and the geographic distance affects market choices, even if the psychic distance doesn't decide on its own the location of FDI. Addressing the extent to which a company will rely primarily on leadership, internationalization and internalization advantages (i.e. Eclectic Paradigm approach) to expand internationally, Cheltenham, (1998) recommend an adaption for the particular instance of MNCs from developing nations; this is because these companies frequently establish economic benefits on foreign markets, the majority of which are located in wealthy nations with easier access to cutting-edge technology and information. There are two types of MNCs in underdeveloped countries: those looking to develop economic benefits abroad, and those looking to explore the benefits they've gained in their home market while doing business there. Firms looking to expand their capabilities should locate a foreign subsidiary in a developed economy if they want access to better technology, or in a developing economy if they want to take use of the country's plentiful resources.

Theoretical Framework

The issue of a company's internationalization process has gotten greater attention as globalization has accelerated. In the field of internationalization, the Uppsala Internationalization Model (IP) is a well-respected and commonly used model. The IP-model suggests that internationalization is a slow and gradual process (Eisenhardt, 1989). The model's key components are understanding and commitment, and their interaction determines how well it can expand internationally (Eisenhardt, 1989). A company's commitment is described as the resources it allocates to an international market and the principles that guide its actions. commitment grows over time as you gain more knowledge.

Internationalization requires three kinds of knowledge: broad internationalization, market knowledge, and institutional expertise (Hadjikhani & Ghuari; 2001). Institutional knowledge involves experiential knowledge of the government, institutional frameworks, regulations, conventions, and values, whereas market knowledge includes knowledge gained from working with customers, the market, and competition. Unlike the generic understanding of international, market and depth of knowledge is market-specific and based on personal experience rather than on academic research. Because general global knowledge's claim to reduce uncertainty was disproved. This is particularly valid for emerging economies, which are inherently unstable and characterised by a lack of regularity (Filatotchev, 2007). In the absence of prior expertise in new markets, the company may be forced to acquire the essential information from equivalents in the network. With the addition of an IP network view, the concept of devotion was broadened to include commitments to partnerships as well as connections with others, such as suppliers, customers, opponents, and legal authorities. Additional promises are needed to compensate for the absence of knowledge in the purchase of a company in which the principals do not have collaboration experience.

The idea of MNC internationalization looks at how companies enter new markets and how much it costs them to do so. Lack of awareness of international markets is a major component in this idea. Lack of knowledge of other markets raises the risk of export marketing firms, which replies either by limiting the financial commitment (phase model of internationalization) or by strong control modes of internationalization strategy firms.

Internationalization Theory

The theory of globalization has an important implication: foreign market permeation in a single market follows a path of increasing devotion, from no regular exporters to export by agents and licensing agreements to the more strenuous formation of sales subsidiaries, joint - venture, and internationally production units. According to internationalization theory by Agarwal, (1980), as more experimental data about a market accumulates, risk exposure decreases and companies increase their capital investment from low to high investment-intensive foreign entry modes when entering the market abroad. To put it another way, if you don't know enough about foreign investment.

Uppsala Model

The Uppsala model is a theory proposed in 1977 by Jan-Johansson and Jan-Erik Ahlen that explains how corporations gradually increase their activity in foreign markets. Their theory emphasized the need for slow and steady progress when it came to globalization. This technique can help organizations lower their risk the most effectively (Filatotchev, 2007). As an example of an Uppsala model notion, "psychic distance" can be found. It has a lot to do with whether or not the cultures, values, management methods, and educational systems of the countries to which one seeks to expand are perceived as being close or not. In their study, Fleury and Fleury

(2007) found that the mental barrier between Swedes and other nations is caused by a combination of elements (degree of development, level of education, business language, cultural differences, day-to-day language, and existing ties between the countries of origin and the foreign market) that impeded the flow of information between these two countries. As a result of the size of Brazil's domestic market and the lack of finance for operations outside of Brazil via direct investment, Brazilian enterprises, according to these authors, opt for a gradual internationalization approach based on the Uppsala model (Glaum and Oesterle, 2007). In order for more Brazilian enterprises to become global participants, numerous obstacles must be overcome. However, the process of Brazilian companies' internationalization has changed since many have used the alliance strategy with foreign companies to penetrate abroad markets, as well as

acquisitions and the establishment of subsidiaries overseas.

The Network Approach

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Empirical Research

According to our theoretical framework, which draws on the Uppsala Internationalization Process Model and the Eclectic Paradigm, an organization's process of internationalization will be affected by its knowledge and experience, which will determine the pattern and the rate at which firms are internationalizing (Forsgren, 2002). Even if lack of market expertise is no longer a hindrance to company internationalization, other variables must be taken into account. This is because industries and markets have become increasingly globalized (Forsgren, 2002). Despite to those who suggest a direct link between engagement and information, a promise such as the

buying of a firm from a new developing market by some other firm from a rapidly evolving market might disrupt this connection, suggesting that foreign market devotion is not always linked to expertise. Firms are often keen to move abroad despite its lack of understanding and use strong commitment as a means to study and accumulate specific information. So portraying international as a risk avoidance and steady growth in commitment-shaped process falls far short of capturing the spirit of international. The process of international is also impacted by the company's entrepreneurship.

The new commercial realities were taken into account when creating the redesigned IP model. As an opportunity development process, it redefines globalization and emphasizes the role of entrepreneurial activity in it (Glaum, and Oesterle, 2007). This change from continuous self-verification to possibility products available international studies and entrepreneurship studies closer together because possibility is now the key ingredient in both literatures (Gubbi, 2010). Despite the fact that opportunity has displaced risk avoidance as the primary goal of internationalization, knowledge remains at the center of the process. Globalisation is sparked by "knowledge of issues and threats," (Gubbi, 2010). Because expertise increases the precision inherent with international expansion, trying to integrate enterprises rely on it to discover and exploit possibilities in those areas. Knowing about the possibilities sets off the internationalization process. Recognizing potential necessitates the commitments and/or relationships in order to develop the possibility into a sustainable international enterprise.

In order to pursue foreign prospects, networks of relations have been proven to be crucial, as the knowledge established through networks is a rich source of accessible or co-made opportunities and provides important hints about developing companies to enter (Gugler and Fetscherin, 2010). It takes time to build a network of relationships through acquisition that includes partners that

have never met before. EMNCs without diplomatic experience, on the other hand, must decrease the time it would take to obtain market expertise in order to respond quickly to take advantage of market opportunities.

If EMNCs are successful in gaining expertise from their acquisitions, this knowledge will help them establish opportunities in overseas markets. Even if lack of prior experience in the new market isn't a hindrance, EMNCs don't always steadily grow their involvement. Cuervo-Cazurro (2011) found that enterprises can overcome problems by using information obtained via various operations in the home market. The development of complexity management capability as a result of many activities in the home market is particularly useful for the initial global growth of the corporation into nations other than its own.

Prior knowledge and the firm's resources are important in recognizing opportunities because they originate from new insights into the value of certain resources or novel resource combinations (Hayashi and Serapio, 2006). Resources such as technology and manpower are critical for companies looking to expand internationally (Hayashi and Serapio, 2006). As a result, when companies are prepared to take risks or underestimate them, internationalizing EMNC does not require them to go the long way to learn about the market. For EMNCs, long-term operation in protected home markets implies having a lot of firm resources, which can lead to them skipping a few steps. Because "they are selling to other companies which are less affected by disparities in religious, cultural, or economic variations among countries than are consumers' wants," firms in the business-to-business industry have a greater ability to apply business knowledge across markets. It's a long story, but here goes nothing. Due to their great manufacturing capabilities and ability to innovate processes, Turkish MNCs (Yosun & Etindamar, 2013) disprove the theory that domestically-owned DMNCs have an advantage in production technology.

As newcomers, developing country MNCs may choose an aggressive internationalization expansion to swiftly create their name among global clients, like the acquisition of critical infrastructure and already well-established brands to offset this disadvantage (Luo and Tung, 2007; Bonaglia, Goldsten and Matthews, 2007). A late-comer MNC's heavy investments in R&D and networking are also critical advantages for its successful internationalization strategy (Yu, Lau and Bruton, 2007). However, a number of studies have focused on the globalization of MNCs from wealthy countries.

Andersson (2004) asserts that the effect of the mental distance element as a market selection factor changes depending on the firm's entry approach. When it comes to exporting substitute entry modes, the psychological distance seems to be more relevant, however when it comes to FDI, other factors influence the market decision making, turning the power distance into a part model. When it comes to competitiveness assets, enterprises in more developed nations are thought to have an inherent advantage over those in less developed countries because of the influence of the nation of origin stereotype on its strengthened by the fact. According to Thanasuta et al. (2009), items from highly industrialised nations are generally perceived as superior in regards to quality and expertise, resulting in a significant nation of origin effect on customers' willing to spend.

CHAPTER 3: RESEARCH METHODOLOGY

Research Design and Strategy: The research design and strategy entail that there should be an equilibrium between the perspective and the methodology adopted (Bordens and Abbott, 1999).

The research strategy applied through the study considers the research topic area and focus, the research perspective, the research design and the research methods, it provides a framework to respond to the research questions and explains the process of methodology implementation (Bryman and Bell, 2011). This aspect of research is important as it enables the study to be

addressed based on a specific strategy, orienting the structure of the analysis meeting the objectives of the research. The research topic discusses the patterns shaping the internationalization strategies implemented by emerging market multinational corporations, in order to integrate the global market, competing with guarded multinational firms from advanced economies. The main research strategies adopted by the study are based on case studies and action-oriented research. In order to respond to the research question, the research employs case studies of a small number of organisations operating in a variety of industries from emerging markets and developed economies. Case study research provides data from various sources using qualitative and quantitative data collection, aiming to provide a complete analysis of the patterns elucidating the behaviour of emerging market multinational corporations in the global market, enabling a conscientious and heterogeneous investigation of the research topic (Eisenhardt and Graebner, 2007). Moreover, action-oriented research instils a practical approach to business exploration enabling the generation of recommendations for improvement (Small, 1995). This aspect of research strategy provides a participatory approach combining theory and practice. The purpose of the research is explanatory seeking to establish a relationship between the nature of the internationalization process adopted by emerging market multinational corporations and the performance generated from their implemented strategies to go beyond home country market, integrating the international arena while competing with multinational companies from developed countries. The process undertaken by the research combines quantitative approach, measuring the performance of EMNC's compared to MNC's in the global market using objective, statistical methods to gain understanding, and qualitative approach, examining the patterns of internationalization strategies adopted by EMNC's to achieve growth in host countries using subjective and interpretive methods, aiming to provide in-depth interpretation of

the research topic applying critical analysis. The outcome of the study is mainly basic research attempting to contribute to general knowledge and theoretical apprehension of the internationalization practices adopted by corporations to sustain their activity in a fierce global market a result of globalisation. The reasoning approach applied in the research is inductive, from the specific to the general, generating theoretical framework from the observation of empirical reality of EMNC's and MNC's internationalization practices. The research paradigm adopted in the analysis of the research topic informs about the philosophical framework that orients how scientific research should be undertaken (Johnston, 2014). The philosophical stance characterizing the study combines ontology through which knowledge is generated from existing reality, epistemology justifying information produced by human comprehension and methodology referring to research design, methods and procedures of data collection (Briggs, Coleman and Morrison, 2016). The study develops the research topic adopting a combination of positivism measuring the performance of EMNC's and MNC's objectively using measurable variables and interpretivism providing a subjective analysis of the researched topic considering the findings of existing research papers in the area of business internationalization.

1.3 Sampling, Data Collection and Analysis:

The aim of the study is to provide an exhaustive comparison, considering similarities and differences concerning the internationalization process adopted by multinational companies emanating from emerging markets and corporations established in advanced economies in order to present an in-depth evaluation of the elements defining the performance of emerging market multinational companies in the global market. The method of data sampling has been based on a selection of companies operating in several industries ranging from electronics, automobile, banking, oil and gas production, engineering and construction from emerging market economies such as Brazil, Russia, India, China and South Africa, and from

developed countries such as Germany, France, United States and Japan, in order to provide a thorough analysis of the elements shaping the competitive advantage of emerging market multinational corporations in the global economy. The sample of companies investigated under the research topic have been identified through a variety of database resources available from [University Name] Library, in order to provide valuable information concerning the analysis of the internationalization process adopted by emerging market multinational corporations, compared to multinational companies originating from advanced countries. Platforms such as Statista, Nexis, Passport and Business Source Complete have been used to generate information related to the industries in which the selected companies operate, while databases such as Amadeus and Oriana have been used to provide financial data of the concerned corporations. The sample of data collection has been chosen based on a selection of criteria. The first component requires that all companies should be multinational companies. The second component entitled that the first selection of firms originates from emerging market economies such as Brazil, Russia, India, China and South Africa, while the second selection of firms derives from advanced market economies such Germany, France, United States and Japan. The third component is that the comparative study should provide an equal selection of companies operating in similar industries from emerging countries and advanced economies in order to present a comprehensive analysis of the internationalization process contributing to the success of emerging market multinational corporations in the global economy. The fourth criteria considered the diversity of industries as a critical variable to provide a thorough understanding of the implications of the internationalization strategies adopted by multinational companies emanating from emerging markets operating in different domains. The study of the internationalization process adopted by emerging market multinational corporations compared to

the performance of multinational companies from developed economies in the global market is established upon information generated from secondary data resources as the collection of primary data appears to be inconvenient to the topic of study, mainly focusing on the available data on the selected databases. The main reason for which primary data collection has been avoided is the cost incorporated in the process while secondary research can be assembled without cost published in different accessible platforms through [University Name] Library. Aside the cost of data collection, time and validity represent important factors in the collection of primary data, which can be time consuming necessitating to collect, organize and analyse the validity of data, while secondary resources are statistically valid and available as countries, organizations and companies are disclosing large in-depth studies authorized for secondary data analyses. Moreover, requests for further information addressed to the assessed companies under the topic of study might require a significant amount of time to be responded due to the unavailability of informant as the subject requires specific statements in regards to the application of internationalization strategies adopted by the selected companies. In order to be efficient in the analysis of the research topic, the study will mainly focus on addressing gaps in the application of internationalization strategies adopted by emerging market multinational corporations, based on published research papers in the field of business internationalization, aiming to justify the performance of EMNC's from BRICS – Brazil, Russia, India, China and South Africa - economies compared to established firms from advanced countries in the global economy. Indeed, several scholars have addressed the topic of internationalization process of emerging market multinational corporations, due to its relevance as a result of globalization, which present valuable sources of critical information relevant to the research question.

1.4 Ethics:

The research topic implies the generation of information from available resources on online platforms requiring the collection secondary data from a variety of databases accessible through [University Name] Library. As the study does not imply the collection of primary data such as interviews, surveys and questionnaires, the research project does not necessitate ethical issues, as the selected data has been approved from the publishing bodies before disclosing it to the public.

1.5 Limitations: The limitations of the study focus on the characteristics of methodology design impacting the analysis of the findings generated from the research. As the research topic emphasizes on providing information on the internationalization practices adopted by emerging market multinational corporations compared to multinational companies from developed countries as a factor of evaluation, constraints could be raised in regards to the generalizability of theory application. Therefore, the study will attempt to respond to the research question by developing three sub-questions entailing the topic to be discussed thoroughly in order to justify the formulation of the research aims and objectives. The research entails the implementation of mixed data collection methods; therefore, it is essential to consider the various limitations related to the application of qualitative and quantitative data analysis in regards to the understanding of the research topic. The nature of the research topic generated a set of limitations related to the sample size entailing the selection of a limited number of emerging market multinational corporations and multinational companies from advanced economies, therefore, criteria of company selection and assessment has been considered in the analysis of the findings concerning the internationalization practices adopted by the appointed companies, in order to provide a valid interpretation of the correlation between the selected data and the highlighted theoretical findings, as statistical tests require large sample sizes for thorough analysis. As a consequence, it is essential to consider generalizability as a limitation, considering the specificity of the

environmental context of each selected organization. Findings generated from literature review research papers present a limitation to the research project, as the assessment of the subject of internationalization varies from an organisation to another, therefore, it is important to mention the variables considered in the analysis of the case studies used in the development of the research topic. Finally, the analysis of the findings and the scope of discussions should be open to further suggestions and interpretation, as the sample size is small, the contexts of the different organizations are unique and the theoretical applications are subjective due to the variety of managerial approaches adopted by corporations. The highlighted limitations through the analysis of the research topic will enable the study to engage with the interpretation of the research findings leading to further suggestions in the field of emerging market multinational corporations' internationalization strategies applied in the integration of the global arena, competing with established multinational companies from advanced economies. This acknowledgement provides the research project to confront assumptions over the interpretation of the topic and explores new insights in the area of EMNC's internationalization.

Chapter 4: Results

An emerging economic economy refers to an economy of a developing nation which is becoming more integrated with international marketplace as it grows. Countries defined as emerging markets are those with some, although not all, of the qualities of a developed market. Increases in local debt and stock markets, market liberalization and overseas investment, and the home creation of contemporary financial and regulatory institutions are all signs that an emerging

market economy is becoming increasingly linked with the global economy. Current significant developing economic systems include those of India, China and Brazil as well as others such as Russia and Mexico. Importantly, an entrepreneurial venture makes the shift from an underdeveloped, pre-industrial sector to a more developed, modern industrialization with greater living standards.

Investors are drawn to emerging markets because of the potential for big returns and because of the quicker GDP growth that these countries generally enjoy. Higher gains, on the other hand, typically come with significantly greater risk. Political unpredictability, domestic structural problems, currency volatility, and illiquid equity are all risks for investors in emerging market countries, where many significant corporations are still "state-run" or privately held. Outside shareholders may not have access to financial stocks on the local trading platforms. However, the level of market and regulatory development in emerging markets is often lower than in mature markets. It's very uncommon for emerging markets to be less efficient than developed economies (like the United States, Europe, or Japan), but they usually have a physical financial infrastructure that includes banks, stock exchanges (like in New York), and one currency. The fact that emerging market economies gradually adopt reforms and institutions more in line with those of modern industrialized countries helps drive economic growth.

Many European and American multinationals have listed their subsidiaries in emerging economies on the stock exchanges. According to a McKinsey study conducted last year, 25% of Africa's 438 billion-dollar-plus corporations are subsidiaries of international multi-nationals. There are a few of these subsidiaries that are publicly traded. These subsidiaries offer investors the chance to own a piece of an emerging market subsidiary with better growth prospects than the parent company, while also benefiting from the corporate oversight provided by a large

multinational to prevent corruption and other corporate government stability from infesting the corporation.

Case Studies

Multiple case studies were required to emphasize the variations and similarities between the internationalization processes of corporations from diverse contexts in order to compare MNCs' phenomenon of internationalization processes in developed and developing countries. There can be no more than two cases at a time. The two companies chosen to make up this study's sample are both involved in the electric motor, power, and automation technologies business. Both companies requested that their real names be kept hidden, thus the Brazilian firm would be referred to as Beta Firm and the Swedish firm as Alpha Firm. Even though Alpha merged with a Swiss company in 1988, we'll refer to the combined company as Alpha for the rest of this study. For Pauwels and Matthyssens (2004), this is an example of a typical case against an atypical situation, meaning that it compares the internationalization of developed country MNCs with that of a developing country MNC, which is new to the field of study. This investigation's scope is narrower. It makes sense to use two businesses that are direct competitors in the same industry. That way, findings may be compared easily without being swayed by industry-specific considerations. Both companies were chosen because they are industry leaders with a track record of successful internationalization procedures. Beta is a well-known corporation from the poorest countries, while Alpha is a global conglomerate. Because it was not possible to speak with the participants face to face, an interview schedule was used instead was delivered to them as an email message.

Even nevertheless, the Brazilian affiliate of the company provided all of the information needed from Alpha relating to worldwide operations in Brazil. Interview questions were sent to responders by email (i.e. an interview guide), and they answered them. The interview guide prepared for the primary data collection was based on the theoretical framework developed for this project. Besides interviewee responses to the interview schedule, secondary sources of data were also acquired from both firms by reviewing the websites, records, media releases and other publications of both firms. A comparative analysis is carried out in order to investigate how different elements can be crucial in each situation and to highlight the significant differences on the internationalization process of MNCs from developing and developed countries. These contrasts and similarities across the situations are thoroughly explained in order to better comprehend, for example, the major features that distinguish MNCs from industrialized and developing economies.

Presentation of the Case

The Alpha Case

In 1883, a company named Alpha was established in Stockholm, Sweden. In 1988, Alpha combined with a Swiss company that was also a leader in the industry, resulting in the creation of one of the world's largest enterprises. Even after the merger with the Swiss Firm, Alpha will continue to remain the name of the company under study. Alpha's headquarters are in Zurich, Switzerland, and its stock is traded on the stock exchanges there as well as in Stockholm and New York. Alpha is a global pioneer in potency and automation solutions that enable its customers to improve their performance. Alpha's overall revenues are accounted for by the European market at 46%. Asian markets account for 27% of revenue, with the United States

accounting for 17% and Africa for 10%. Before the merger the with Swiss Firm, Alpha's international processes will be examined, as will those of Alpha (here after the merger) from 1988 forward. A dynamo was Alpha's first big product when they were created in the late 1800s, producing electrical illumination solutions. As time went on, the company expanded its offerings to include industrial and transportation-specific electrical power designing strategies.

The company was able to master new high-voltage and high-power output technologies, allowing it to become the industry's top player in Sweden as well as operate in international markets. Alpha began exporting its products to other Scandinavian countries, the United Kingdom, and Russia in the first decade of the twentieth century, as well as some failed attempts to sell its products in Latin America and Asia. In 1910, Alpha established its first overseas sales affiliate in the United Kingdom. Subsequently, it opened subsidiaries in Spain, Denmark, Finland, Norway, and Russia. The firm's ambitions were to situate its first manufacturing abroad in Russia, but this plan was cancelled due to the Fall Of communism in 1917. In order to transfer its goods in countries where it had no subsidiaries, and to gain expertise in more challenging ones, alliances with other Swedish MNCs already operating in the targeted markets, Alpha needed partnerships. Because of its innovative approach in pushing its products to their technical and business boundaries, Alpha has had worldwide fame. This has brought originality to the market. The creation of the first three-phase electrical grid was critical to the early success of Alpha. A more risk-taking attitude towards introducing high voltage transmitters and entering new areas like nuclear energy and robots allows companies to prosper in less favorable markets like North America, rather than Europe, where it has a lengthy history. Going above and beyond is what set this company apart from its competition.

Case study of Beta

Beta (Brazil) was founded in 1961 and now employs over 22,000 people worldwide, growing at a 23 percent annual average rate between 2004 and 2007. (higher than the GDP average growth of the country). The firm has 14 manufacturing facilities across the world, and it turns out 10 million electric motors each year. The countries with the most factories are Brazil (with eight), Argentina (with three), Mexico (one), Portugal (one), and China (two). Electric motors are not the only things that the company makes; it also makes other electrical items, automation items, and paints. With 50 percent of Beta's international sales coming from North America, European sales account for 31 percent. It was to Paraguay, which was the first destination for exports, in 1970.

Later on, a few cargoes were consigned to Canada. Beta had already created its own engine using German-obtained technology by this point. This engine was built to worldwide quality standards. In order to get its first distribution and representation contracts, the company began attending trade shows in other countries. Beta has the option of incurring significant international expansion costs by establishing a wholly owned sales staff in additional locations.. In 1991, 21 years after the company's first export, it opened its first US sales office. After that, the company decided to bolster its presence in the region's bordering markets, including Latin America and other developed countries, such as Europe, Japan, and Australia.

Even so, the company's internationalization effort only really took off in 2000, when it began opening up production facilities around the world. The best way for the corporation to start a factory in another country was to buy an existing one. As a result of entering the Asian market, the business now has worldwide reach. In order to promote Beta's culture throughout the company's branches around the world, there has been a significant influx of Brazilian employees migrating abroad and foreign workers moving to Brazil. When deciding where to develop a

production facility overseas, the corporation considers previous experience in international markets as well as cultural proximity to be crucial factors. A market's predicted profitability as well as the availability of natural resources and a skilled labor force are important factors to consider. The logistics strategy, as well as local trade and economic freedom laws and company practices, are all crucial, although in a minor way.

To obtain control over markets, relationships and businesses are the most crucial factors for foreign direct investment (FDI), much as increasing sales is. To

gaining access to vital assets and resources, as well as decreasing uncertainty, are all important motivators. When it comes to international business, the company says that bureaucracy and logistics are the biggest roadblocks. Beta sees its ability to tailor its goods to meet customer needs as its most crucial ownership advantage. The quality of the product, the technical advice, and the company's reputation are all important competitive factors for Beta.

Case Study from Other Countries

A significant number of textile and electronics enterprises had abroad operations over time, allowing me to track their internationalization as it happened. Only companies with a minimum of ten years of worldwide experience were contacted, and six companies that could be matched agreed to participate in the research. the two industries enabled for comparative investigation within industrial sectors that had some parallels and differences, for example using OEM levels. Two companies are in the electrical sector, while two are in the textile sector. Because they asked for anonymity and secrecy in exchange for their involvement, the names of these companies are omitted from the study. Companies' unwillingness to participate in studies is a prevalent issue in Asian countries. According to the IDP hypothesis, the sample firms in the

electronics and textile industries in Singapore and Taiwan were larger than those in Malaysia. The case enterprises were a fraction of the size of MNEs in more developed countries. They were, however, indicative of Malaysian, Singaporean, and Taiwanese MNEs as documented in the literature. Small and mid businesses (SMEs) in Asia played a critical part in the process of globalization. In Taiwan, Singapore, and Malaysia, small and medium-sized enterprises (SMEs) were common investors in China and Southeast Asia (SEE), particularly in Taiwan (Chen et al., 1995). (Rogayah 1999)

Internationalization of Zara

The company's supply chain management is well-known. To put it another way, it oversees the majority of the apparel production process, from design to distribution. The corporation has a significant edge in manufacturing speed when looking at the business model. Zara is able to respond swiftly to customer demand because of this approach of collecting instant input. Online retail is another part of how the business works. The Inditex Group's success in this field can be attributed to its business model's adaptability to even the smallest changes in the garment market and customer preferences.

Several factors influence Zara's expansion and internationalization, including the general state of the global textile and garment market and the company's internal situation. The European textile and garment industry's distinguishing feature in recent decades has been the presence of a substantial number of small and medium-sized businesses. They differ in terms of how limited their charms are and how popular their items are outside the nation of birth. Another important feature of the textile industry is the merging of several enterprises in order to centralize production and survive in the market.

Many retail organizations are now seeing internationalization as an opportunity to expand their business on a worldwide scale, where their product and service offerings will be valued by a wider circle of customers. However, the experience shows that entering a foreign market whenever a retail company's primary advantage is consistent is the most winning strategy. cheap cost and operational efficiency (Walmart, Carrefour and Aldi), strong brands (Starbucks), fashion reputé and domination in a category are examples (IKEA).

On the markets of the BRIC countries, international retail companies are becoming increasingly visible. Following China, Russia, Brazil, and India each have a major presence on the Chinese market. Comparing growth in foreign retail company presence in 2018 to 2014, India shows a 50% increase, while Russia shows a 38% loss. According to this data, international retail enterprises have a distinct presence on the markets of the BRIC countries. The fact that these markets have one thing in common – that they are emerging markets – shows that there are significant variations between them.

So the Chinese market is not only the world's largest, but it's also one of the most lucrative emerging markets, with a population of 1.43 billion people, GDP per capita of 18.110 dollars, and total retail turnover of 3.8 billion dollars. Continuous fiscal and monetary initiatives of the government encourage the private sector, particularly retail, so that China has become particularly popular for global market enterprises, significantly in the last two years. As a result, in 2019, German discount retailer Aldi and American warehouse retailer Costco built their first Shanghai-based retail locations. Companies presently operating in China have plans to grow their operations there in the next years.

To expand internationally, organizations in this category gained expertise quickly and on-the-fly (export; set up of an office, etc.). Another problem with the Uppsala model, which is used by enterprises in this group, is that companies consider the matter of least psychic distance when purchasing additional units. The long-term prospect of market saturation, as well as the increasing number of options available abroad, motivate the internationalization efforts of enterprises in this group. At a commercial automation firm, the progressive approach principles of the Uppsala model are evident because the company internationalized by first establishing an office and then gradually expanding its structure until it purchased a plant. At first, the corporation is unconcerned about the tiniest psychological distance issue, and it sets out to find new markets with two specific goals in mind: to boost sales while also absorbing new technology for software development. This kind of scenario calls for more product development competence. However, in the future, when the business wishes to enter the consideration is given consideration in the Latin American market.

Brazil's economy is still in disarray. An appealing market for international retailers, with a population of 211.4 million, GDP per capita of 16.154 dollars, and a retail turnover of 472.2 billion dollars. In 2018, retailers such as WH Smith in the United Kingdom and Kiabi in France opened their doors to the public. Additionally, companies who are already active in the market seek to expand their operations, such as the French Casino, which committed an additional \$464 million in 2018 and Carrefour, which increased its omni-channel capabilities.

Discussion

Russia is a country has a population of 145.9 million people, a GDP per capita of \$29.267, and a retail transaction of \$497 billion dollars, notwithstanding restrictions and political difficulties.

The greatest retail network in Russia is dominated by the Spanish firms H&M and Inditex, which together operate 139 and 549 stores. IKEA, Leroy Merline, Castorama, and OBI have the most presence in Russia among well-known retail brands. There are a number of reasons why India is becoming increasingly attractive for international retail organizations. The country is home to 1.37 billion people and has a GDP per capita of \$7.874, with a revenue generated of \$1.2 billion. Yves Saint Laurent and Tiffany & Co. are among the luxury goods retail brands that have opened in India. To name just a few, the Indian market is home to the likes of IKEA as well as Under Armour, American Eagle Outfitters, Miniso, Ted Baker, and Go Sport.

The so-called GRDI established by consultants from A.T. Kearney measures the market's competitiveness in practice. A four-variable average index is used to rank the attractiveness of 30 countries to international trading organizations (A.T. Kearney, 2020). The index goes from 0 to 100, with a score of 0 denoting a high risk while a score of 100 denotes a low risk level for external trade enterprises. GRDI is derived from the analysis of four variables: product sections, country risk, marketshare and heavy workload, where each of these variables is derived by the analysis of various of elements.

The analysis of various characteristics is included in the assessment of the country's market attractiveness, which accounts for 25 percent of the total. To begin, it calculates the volume of sales per capita, with a score of 0 signifying still an trade sector and a score of 100 indicating a mature market. A population score of 0 indicates that the country is small and has limited room for expansion. The third-largest population is found in urban areas, while a score of 0 indicates that the country is still rural. Fourth, the country is judged on its ability to do business, with a score of 0 suggesting that infrastructures is still lacking. As a result, China has the preferred opportunity in the studied period, given that in the observed time it has either been first or

second, and according to newest statistics, China is first in the list of most attractive markets for global market enterprises. As compared to China's improvement, Brazil's status deteriorated substantially, falling from the fifth spot in 2014 to the 29th spot in 2017, with a return to the top sixteen in 2018. There has also been a decline in the ranking of the most appealing markets for investors.

Russia fell from the 12th spot in 2014 to the 23rd spot in 2018. India has made the most progress, rising from 20th place in 2014 to 1st place in 2017 on the list of the most attractive opportunities. According to the most recent 2018 figures, India is the second largest economy in the world, immediately after China. This supports the second theory, according to which the BRIC market's desirability changed from 2014 to 2018. In addition, to verify the third study hypothesis, we build simple regression models for each country in order to link the phenomenon of market attractiveness for entry, expressed by ranking in the list of nations. International retail company numbers are included in these models as a dependent variable and country rankings as a predictor variables. This research aims to integrate two subjects by focusing on the entry strategy of Indian enterprises in the Dutch market for ICT-ITES delivery: the expanding international presence of developing market-based multinational firms and the international dynamics in the ICT-ITES sector. Despite the wealth of information available on EMNCs, gaps remain in our understanding of how internationalization initiatives function in various industries. To compete worldwide, Indian ICT-ITES companies must no longer rely on their (O)-ownership and (L)-location advantages based on privileged access to a huge pool of workers in their own country; Western enterprises have built similar operational capability in India.

Because they entered the corporate globalization process late, Indian ICT-ITES firms have various disadvantages. These include delivery capacity globally, the ability to become trusted

partners, and market segment access (both activities and types of clients). They currently delegate Indian ICT-ITES enterprises to the less profitable market niches where contracts also have a shorter tenure, while these drawbacks are typical for EMNCs. Although Indian ICT-ITES firms have made significant strides in recent decades, they lag far behind their Western counterparts when it comes to building global service networks. Greater presence is essential in the supply of high-end ICT services, but creating local branches in the nations of clients is a long-term process for Indian firms. Because of this, Indian firms are unable to compete for higher-value operations in the ICT-ITES sector. Studying the tactics Indian ICT-ITES enterprises (or other types of EMNCs) use to overcome their late-comer disadvantages could be a good area for future research. Takeovers and mergers as costly techniques to accelerate the acquisition of market share or overcome the drawbacks of latecomers.

IT-ITES companies only need a small amount of fixed assets and can simply shift their strategic human resources to other markets if the current one is no longer attractive. It is necessary to go beyond the homogenizing label of "EMNCs" to understand better how regional and global strategies are carried out in various sectors and how sectorial features and structures, rather than the country of origin, are the key explanatory factors for the globalisation of EMNCs. The globalization strategy in the Indian ICT-ITES sector is motivated by the demands of globally functioning clients, the necessity to engage in more lucrative business areas, and the limited base. EMNCs benefiting from decreased institutional obstacles to FDI and breakthroughs in transport and communication technology, or (as in our study) missing the tough pioneering stages of sector development. These could be the focus of additional research in order to overcome just one bias or a North–South perspective that largely highlights the late starter disadvantages of EMNCs.

CHPATER 5: CONCLUSION

This paper proposes to analyze the differences between the internationalization strategies of an MNC from a developing country and one from a developed country using a cross-country multiple case study. This study's combined analytical model, which draws on insights from the Eclectic Paradigm and the Uppsala Internationalization Model, has been helpful in shedding some light on the literature on the process of internationalization of multinational corporations. The model in issue aided researchers in determining the variations and similarities between MNC internationalization procedures in industrialized and developing countries. An intriguing finding reveals that the objectives of the two companies differ.

Emerging market businesses' (EMFs) internationalization research is getting more attention in the international management community. Most of these studies argue that the internationalization of EMFs differs from that of enterprises in developed economies, and that conventional internationalization models cannot describe this novel phenomenon properly. To answer two interrelated problems, we conduct a thorough evaluation of relevant literature on the internationalization of EMFs. As previously said, the internationalization of Chinese EMNEs illustrates numerous generic tactics, such as local optimizer, low-cost provider, advanced market seeker, and global consolidator. In the end, the research shows that multinationals' decisions

about internationalization strategy lead to generic plans of one kind or another. Because each EMNE is unique, it's important to figure out which trait has the greatest impact on a multinational's ability to expand internationally. An important issue that has come up in academic research on emerging market multinationals is the antecedents to internationalization.

The study has been concluded in a way that first chapter deals with the introduction of the dissertation. This chapter comprise of the introduction of the topic in which it is confirmed that the growing relevance of emerging markets, both theoretically and in terms of business operations in many areas. When it comes to emerging market definitions, characteristics, and techniques, this paper's theoretical section highlights the most important theoretical contributions that have been made. Also, the most important theoretical advances to the topic of retail internationalization are addressed. According to the GRDI (Global Retail Development Index), the attractiveness of BRIC countries for international retail enterprises is a factor in determining the total number of international retail companies. However, the desirability of BRIC countries for international retail enterprises is influenced by a number of factors. Market saturation (MS) and time penetration, for example, are terms that apply to Brazil (TP). India's industry attractiveness (MA), country risk (CR), and time penetration are all important factors to consider (TP).

Considering the results are limited by the quantity of observations, as well as the brief duration of observation, they can be used as a starting point for additional investigation by theorists. Due to the present global coronavirus pandemic and the tremendous changes in the global economy, research into the relationships between emerging markets and retail internationalization will encounter several problems and dilemmas. The topic of emerging market attractiveness for multinational retail enterprises will be assessed based on a country's readiness and ability to

respond to the challenge. Internationalization processes of firms are shown to be substantially affected by elements such as the firm's knowledge and experience of foreign markets (Johanson and Vahlne, 1977, 1990), a learning process that is stated to support the steady speed and pattern of internationalization for a firm. Internationalization is a process that occurs gradually over time. This is proven by the two companies in the case study. Alpha's globalization has been gradual from its inception in 1883, when it entered the Scandinavian Region's foreign markets. Similarly, Beta, which was established in 1961, began by exporting its products to the South African market.

The gradual internationalization of a firm's learning process (acquiring a lot of knowledge and experience over time) appears to have helped each firm deal with the psychological distance and the liability of foreignness, which have been challenging for alien firms functioning in any foreign market (Johanson and Vahlne, 1977, 1990; Zaheer, 1995). In addition to its ability to learn, Alpha's (Dunning's, 2000) ownership advantages, such as brand equity, technical capability, innovative capabilities, and its network exchange partnerships with productive business partners, have all had an impact on its growth. All of this serves to bolster Alpha's legitimacy in foreign markets, as it shows the host country's acceptance of the company and its finances. Similarly, Beta demonstrates the proportional relevance of its ownership advantages, such as strong brands and technological the ability to innovate, as well as the relationships it has with other organizations in its network. savvy business partners and how they've all influenced the company's transnationalization is a process.

However, disparities in the firm's ownership benefits might be found. Beta's brand is more closely linked to product adaption and service, whilst Alpha's brand is more closely linked to innovative technology. In addition to the other elements mentioned above, locational and

institutional advantages are thought to be helpful in the internationalization operations of a company. Each of the company's reasons for entering its foreign markets is proof of an important component impacting its internationalization process. While Beta's motivation for expanding global markets is mostly in other emerging or underdeveloped countries.

There are a lot of things here that support EMNC subsidiaries' contention that local resources will be more essential than technology and knowledge in the future for those companies. However, all of the companies in this scenario are looking for new markets outside of the United States, with the exception of Beta. Another distinction between Alpha and Beta is the benefits that each might derive from institutional structures, which are quite different. The institutional arrangements that were put in place in Brazil throughout the 1990s helped considerably to the formation and expansion of Beta's asset base, which aided the internationalization process of the company. There is no evidence that such institutional advantages aided Alpha in his entry into foreign market.

Recommendations

CEOs and top management teams of large organizations, especially in North America, Europe, and Japan, acknowledge that globalization is the most important challenge they face today. They're also well aware that figuring out internationalization strategies and deciding which nations to do business with has been harder over the last decade. Even so, most businesses have remained loyal to their tried-and-true techniques, which emphasize standardized approaches to new markets while also experimenting with a few local variations. Global firms are therefore battling to establish viable strategies in new areas.

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