

S Tamer Cavusgil, Pervez N Ghauri & Leigh Anne Liu

DOING BUSINESS IN EMERGING MARKETS

3rd Edition



DOING BUSINESS IN EMERGING MARKETS

Sara Miller McCune founded SAGE Publishing in 1965 to support the dissemination of usable knowledge and educate a global community. SAGE publishes more than 1000 journals and over 800 new books each year, spanning a wide range of subject areas. Our growing selection of library products includes archives, data, case studies and video. SAGE remains majority owned by our founder and after her lifetime will become owned by a charitable trust that secures the company's continued independence.

Los Angeles | London | New Delhi | Singapore | Washington DC | Melbourne

S Tamer Cavusgil, Pervez N Ghauri & Leigh Anne Liu

DOING BUSINESS IN EMERGING MARKETS

3rd Edition

 SAGE

Los Angeles | London | New Delhi
Singapore | Washington DC | Melbourne



Los Angeles | London | New Delhi
Singapore | Washington DC | Melbourne

SAGE Publications Ltd
1 Oliver's Yard
55 City Road
London EC1Y 1SP

SAGE Publications Inc.
2455 Teller Road
Thousand Oaks, California 91320

SAGE Publications India Pvt Ltd
B 1/I 1 Mohan Cooperative Industrial Area
Mathura Road
New Delhi 110 044

SAGE Publications Asia-Pacific Pte Ltd
3 Church Street
#10-04 Samsung Hub
Singapore 049483

Editor: Matthew Waters
Assistant editor: Jasleen Kaur
Copyeditor: Rosemary Campbell
Proofreader: Derek Markham
Indexer: Martin Hargreaves
Marketing manager: Lucia Sweet
Cover design: Francis Kenney
Typeset by: C&M Digital (P) Ltd, Chennai, India
Printed in the UK

© S. Tamer Cavusgil, Pervez N. Ghauri, Leigh Anne Liu, 2021

This third edition first published 2021

Apart from any fair dealing for the purposes of research or private study, or criticism or review, as permitted under the Copyright, Designs and Patents Act, 1988, this publication may be reproduced, stored or transmitted in any form, or by any means, only with the prior permission in writing of the publishers, or in the case of reprographic reproduction, in accordance with the terms of licences issued by the Copyright Licensing Agency. Enquiries concerning reproduction outside those terms should be sent to the publishers.

Library of Congress Control Number: 2021930815

British Library Cataloguing in Publication data

A catalogue record for this book is available from the British Library

ISBN 978-1-5264-9456-6
ISBN 978-1-5264-9455-9 (pbk)

At SAGE we take sustainability seriously. Most of our products are printed in the UK using responsibly sourced papers and boards. When we print overseas we ensure sustainable papers are used as measured by the PREPS grading system. We undertake an annual audit to monitor our sustainability.

Contents

<i>Praise for Doing Business in Emerging Markets, 3rd Edition</i>	vii
<i>About the Authors</i>	ix
<i>About the Case Study Authors</i>	xi
<i>Preface from the Authors</i>	xx
<i>Online Resources</i>	xxii
PART ONE: Foundation Concepts	1
1 Emerging Markets – Setting the Stage	3
2 What is an Emerging Market?	14
3 Pathways to Economic Transformation: Common Characteristics of Emerging Markets	37
Cases for Part One	71
Hydrola – A French Company’s Expansion into Emerging Markets	73
<i>Noémie Dominguez & Ulrike Mayrhofer</i>	
The Brazilian <i>Little Way</i> of Doing Business	81
<i>Viviane Salazar & Salomao de Farias</i>	
Çilek – An Emerging Market Company Goes Global	88
<i>Ilke Kardes, Asude Yasemin Zengin & T. Cuneyt Evirgen</i>	
The Janus Face of China’s Engagement in Africa – Stakeholder Perspectives	100
<i>Marta Szabo White & Mourad Dakhli</i>	
PART TWO: Potential of Emerging Markets	111
4 What Makes Emerging Markets Attractive?	113
5 Assessing the Market Potential of Emerging Markets	144

Cases for Part Two	167
ATOM – An Italian Family Firm Operating in Brazil <i>Giovanna Magnani, Ulrike Mayrhofer & Antonella Zucchella</i>	169
Lenovo – The Global Challenger from an Emerging Market <i>Jing Betty Feng & Lawrence Yu</i>	178
Chery Goes to Brazil – Challenges for an Automaker in an Emerging Economy <i>Viviane Salazar & Salomao de Farias</i>	187
Starbucks in Russia – Challenges and Opportunities in an Emerging Market <i>Valeria Nyu & Elena Poliakova</i>	193
PART THREE: Managing in Emerging Markets	203
6 Managing Operations in Emerging Markets	205
7 Negotiations and Conflict Management in Emerging Markets	245
8 A Bright – if Uneven – Future for Emerging Markets	272
Cases for Part Three	295
1MORE – A Late-Mover Headphone Maker in China <i>Zhi-Xue Zhang & Lu Wang</i>	297
Can a Gorilla Sit Wherever It Wants? Best Buy Goes to Turkey <i>Cuneyt Evirgen & Emin Civi</i>	306
Bottled Water Industry in Uzbekistan: Multinational and Local Firms <i>Yingying Zhang Zhang & Otabek Kasimov</i>	315
Stora Enso – Corporate Reputation in an Emerging Market <i>Jan-Åke Törnroos, Stefan Lång, Maria Ivanova-Gongne & Nikolina Koporcic</i>	330
An Expatriate Management Experience in Thailand <i>Davina Vora & Astrid Kainzbauer</i>	337
<i>Author Index</i>	345
<i>Subject Index</i>	346

Praise for *Doing Business in Emerging Markets*, 3rd Edition

'This third edition of *Doing Business in Emerging Markets* by Cavusgil, Ghauri, and Liu provides fresh perspectives on these dynamic, rapidly transforming economies. The authors offer multi-disciplinary perspectives on the fundamentals of their rise, and prospects for their future in view of the global pandemic. Numerous original cases, authored by colleagues in various emerging markets, make the book especially suitable for higher education. Readers will find numerous examples of fresh perspectives and helpful teaching notes that enrich this book.'

Peter J. Buckley, OBE, FBA, FAcSS is Professor of International Business, University of Leeds and director of the Centre for International Business, University of Leeds, UK

'Emerging markets continue to be a major agenda of business, even after three decades of their prominence. Cavusgil, Ghauri, and Liu's newest edition of their book provides a solid review of their evolution, attractions for business, practical advice on working with emerging market business partners, and more. The addition of a large number of original case studies, covering different emerging markets and diverse sectors, is a welcome feature. The book is highly recommended for both scholars and practitioners of emerging markets.'

*Jagdish N. Sheth, Charles H. Kellstadt
Professor of Business, Emory University, USA*

'With its rich range of global contexts and perspectives, *Doing Business in Emerging Markets* offers readers a potent set of case studies that will spur not only new ways of thinking about our world, but also new ways of acting within it. The book's presentation of different cultures' approaches to strategy, execution, and even the shape and meaning of enterprise, serves not so much as a snapshot of today's world, but a preview of the forms, norms, and ideals that will shape our world and lives in the coming decades. A work of global breadth and intellectual depth, this intriguing

new book provides academics and practitioners invaluable insight into the powerful new set of players emerging in our shifting global landscape.'

*Ming-Jer Chen, Leslie E. Grayson Professor of
Business Administration, The Darden School,
University of Virginia, USA*

'Having led global operations of a major multinational company, I know that doing business in highly dynamic emerging markets can be challenging. This book provides an essential understanding of the economic and commercial environment in these diverse markets, and lays out specific strategies for partnering with and working in emerging markets. Highly readable and concise treatment of the topics make the book a requisite reading for practitioners and scholars of emerging markets.'

*President, Coca-Cola International, and
Executive Vice President, The Coca-Cola Company, (ret.)*

'Insightful, data driven. A go-to guide for business development in the emerging markets.'

*Xianqin Lisa Wallace, former Senior
Vice President, Malaysia Airlines*

'The new edition of *Doing Business in Emerging Markets*, by Professors Cavusgil, Ghauri, and Liu, fills a major gap in the international business literature. As widely known and respected experts on emerging markets, the authors provide an authoritative and comprehensive book with contemporary perspectives on the topic. The book's many excellent features include its analytical frameworks, tools, and best practice insights which, along with the addition of 13 original cases, make it especially suitable for classroom use. The authors' practical treatment of market potential assessment in emerging markets, makes the book equally relevant and valuable for managers as well.'

*Saeed Samiee, Collins Professor of Marketing and
International Business, The University of Tulsa, USA*

'Nothing remains the same in Emerging Markets. A contemporary, multi-disciplinary treatment of the new realities in these rapidly transforming economies was long overdue. Fortunately, the author team of Cavusgil, Ghauri and Liu delivered an authoritative book on emerging markets, addressing their past evolution, current challenges and future prospects in view of the global health pandemic. The book is enriched by 13 original cases about doing business in emerging markets, making it an ideal text to use in the business curriculum.'

*Ying Zhu, Professor of International Business and
Director, Australia Centre for Asian Business,
University of South Australia, Adelaide, Australia*

About the Authors

S. Tamer Cavusgil currently serves as Fuller E. Callaway Professorial Chair and Executive Director, Center for International Business Education and Research (CIBER), J. Mack Robinson College of Business, Georgia State University, Atlanta, USA. A trustee of Sabanci University in Istanbul, Turkey, Tamer is also a visiting professor at Leeds University Business School, UK, and The University of South Australia Business School.

Professor Cavusgil has been mentoring students, executives, and educators in international business for the past four decades. A native of Turkey, his professional work with the International Trade Center (WTO) has taken him to numerous emerging markets for training and exporter development projects. Recognizing the importance of emerging markets for Western firms, he developed the *Emerging Market Potential Index* while serving as the CIBER director at Michigan State University (<https://globaledge.msu.edu/mpi>).

Tamer has authored more than several dozen books and some 200 refereed journal articles. His work is among the most cited contributions in international business. Google Scholar lists him among the top scholars in the world in emerging markets, international business, international marketing, and export marketing. Various reviews have listed him as one of the most influential and prolific authors in international management. Google Scholar indicates over 47,000 citations as of late 2020 (h-index of 90).

Tamer holds an honorary doctorate, *Doctor Honoris Causa*, from The University of Hasselt, Belgium (May 2014), and an honorary doctorate from the University of Southern Denmark (October 2017). In April 2018, Tamer was honoured with the title Honorary Professor by Atilim University in Ankara, Turkey.

Professor Cavusgil is an elected Fellow of the Academy of International Business, a distinction earned by a select group of intellectual leaders in international business. Tamer holds a Bachelor of Science degree in business and economics from the Middle East Technical University in Ankara, Turkey. He earned his MBA and PhD degrees in business from the University of Wisconsin.

Pervez N. Ghauri completed his PhD at Uppsala University (Sweden) where he also taught for several years. Over the years he has worked at Manchester

Business School and King's College London in UK. Currently Pervez is Professor of International Business at the University of Birmingham (UK).

Pervez is the Editor-in-Chief of the *International Business Review (IBR)* and Consulting Editor for *Journal of International Business Studies (JIBS)*. He is a Fellow for both the European International Business Academy (EIBA) and the Academy of International Business (AIB), where he was also Vice President during the period 2008 and 2010.

Pervez has published more than 30 books on international business and international marketing topics, and more than 100 articles in top level journals such as *Journal of International Business Studies*, *Journal of World Business*, *Journal of Organizational Behavior*, and *International Marketing Review*. His books include *Internationalization of the Firm*, *International Business Strategy*, *International Business Negotiations*, *Project Marketing*, and *Research Methods in Business Studies*. He consults and offers training programmes to a number of organizations such as BP, Airbus Industries and Ericsson.

Leigh Anne Liu is Professor of International Business of Georgia State University USA and Fulbright-Hanken Distinguished Chair of Business and Economics 2020–2021. She received her PhD from Vanderbilt University. Her research explores how culture and cognition influence intercultural interactions, including negotiation, conflict management, and collaborations at individual, team, firm, and national levels. Her works appear in *Administrative Science Quarterly*, *Journal of Applied Psychology*, and *Journal of International Business Studies*, among others.

Leigh Anne has been a visiting professor at the University of South Australia, the University of Toulouse in France, and Peking University and Nanjing University in China. She has consulted for Fortune 500 companies and the non-profit sector on conflict management and multicultural competency projects. Leigh Anne has taught courses and workshops for undergraduate, MBA, MIB, EMBA, PhD, DBA, and high school students on the topics of international negotiation, multicultural competency, global management, and cross-cultural research.

Leigh Anne is an associate editor for the *Journal of Business Research* and *Cross Cultural & Strategic Management*, and has been a guest editor of three special issues. She also serves on the editorial boards of *Academy of Management Review*, *Management and Organization Review*, and *International Business Review*.

About the Case Study

Authors

Emin Civi is a 3M National Teaching Fellow and Professor of Marketing and International Business at the University of New Brunswick (UNB), Saint John, Canada since 2005. He has also taught in various places including Carnegie Mellon University Qatar, Celal Bayar University and Bilkent University in Turkey, and has spent two years in Michigan State University as a visiting scholar. Emin's teaching and his efforts to advance university teaching have been recognized by over time with honors and distinctions across different platforms such as the Association of the Atlantic Universities (AAU) Distinguished Teaching Award, the AAU Anne Marie MacKinnon Educational Leadership Award, UNB Allen P. Stuart Teaching Excellence Award, the UNB Neil Scott Educational Leadership Award, the UNB Merit Award etc. In 2019, he was recognized as a 3M National Teaching Fellow which is Canada's most prestigious recognition of excellence in educational leadership and teaching at the university and college level.

Dr Mourad Dakhli is Professor of International Business at Georgia State University and holds a PhD from the Moore School of Business at the University of South Carolina. His research focuses on the value-generating processes of human and social capital across different cultural and institutional settings with implications on innovation and entrepreneurship. He is active in business case research and in the scholarship of teaching & learning. Dr Dakhli held leadership and faculty positions in Africa, Middle East, Europe and Asia, and has extensive experience in managing capacity development projects around the world. Dr Dakhli has earned certifications in Six Sigma Black Belt, Business Analytics, Master Teacher, and Master Online Teacher.

Noémie Dominguez is Assistant Professor at the IAE Lyon School of Management - University Jean Moulin Lyon. She is the co-Director of the International Management and Trade Master programs and the co-director of the International Management Research team at the Magellan Research Center. Her research interests are linked to the internationalisation strategies

of SMEs, international networks and entrepreneurship, as well as migrants' integration. In that respect, she co-coordinates the H2020 MERGING project dedicated to improving migrants' social inclusion. She has published several books and articles in peer-reviewed journals, such as *International Business Review*, *M@n@gement*, etc.

Cuneyt Evirgen is Director of Executive Development Unit at Sabanci University (SU) and practice faculty member in the Sabanci Business School. Dr Evirgen holds BSc degrees both in Electrical Engineering and Mathematics and MBA degree from Bosphorous University, Turkey and PhD degree in marketing (with minor in international business) from Michigan State University, USA. He runs custom and open enrolment programs in executive as well as professional non-thesis graduate programs at SU. His expertise and teaching focus on Marketing Strategy and Retailing. In regards to experience in retail, Dr Evirgen, was a Board Member at Teknosa Inc. (www.teknosa.com) during 2005–2012 and Vice President during 2012–2018. He has also been an independent Board Member at Cilek Mobilya Inc. (www.cilek.com) and at Carrefoursa Inc. (www.carrefoursa.com) during 2012–2018. Dr Evirgen is also the academic consultant of the Retailing Sectoral Assembly of the Union of Chambers & Commodity Exchanges of Turkey since 2007. In 2010, he has received the Outstanding Alumni Achievement Award given by MSU Eli Broad College of Business.

Dr Salomão De Farias is a professor of Marketing and International Business and holds a Doctor degree from the University of Sao Paulo, Brazil. Prior to joining GSU, he served as a tenured faculty member at Federal University of Pernambuco. He was an invited faculty in Breda University (Netherlands), and Central Piedmont Community College as a Scholar-in-Residence with a Fulbright grant. His academic activities include coordinating the business graduate program at the University of Pernambuco, member on the Marketing scientific committee for the Brazilian Academy of Management Meeting, Area Committee member at CNPq, and Editor of BAR, exchange student at Vanderbilt University's School of Management, Visiting Researcher at Auburn University's College of Business and Georgia State University - Institute of International Business. His prior work experience includes retail, developing executive training programs, designing research projects, study abroad programs, grant proposals, and coordinating a research center at UFPE, in Brazil.

Dr Jing Betty Feng is Assistant Professor at the Department of Business Management at Farmingdale State College. Dr Feng teaches courses on International Business, Global Strategy, Negotiation, and Innovation in

Organizations. Her research interests include the roles of culture in adaptation, creativity, and intercultural interactions. She is a member of the Tradeable Sectors work group for Long Island Regional Economic Development Council and editorial board for *China Currents*. Dr Feng came to academia after seven years of industry experience in supply chain management in global firms such as Dell and Whirlpool. She received her BA and MBA from Michigan State University and PhD from Georgia State University.

Dr Maria Ivanova-Gongne is an Assistant Professor in International Marketing at the School of Business and Economics, Åbo Akademi University, Turku, Finland. Her research interests include migrant entrepreneurship and business-to-business marketing management, particularly the aspects of business interaction, managerial sensemaking, culture in international business-to-business relationships and corporate social responsibility. Her work has appeared in international academic journals such as *Industrial Marketing Management*, *Scandinavian Journal of Management*, *Journal of Business and Industrial Marketing*, *European Management Journal* and *Critical Perspectives on International Business*.

Astrid Kainzbauer is Associate Professor at the College of Management, Mahidol University, Bangkok, Thailand. She is Assistant Dean for International Relations and Director of the Master of Management, International Program. Her career has been focused on the field of intercultural relations, uniting university work and corporate consulting. Astrid holds a doctoral degree in international business from the Vienna University of Economics and Business Administration, Austria. As a university lecturer in the areas of intercultural management and organizational behavior, she has been a visiting lecturer at business schools in Australia, China, Denmark, Germany, France, Portugal, South Korea and Ecuador. Astrid conducts executive training in the areas of international relocation, cross-cultural teams and leadership. Her research focuses on cross-cultural aspects of teaching and learning and Asian management. Her work has been published in journals such as *Culture and Organization*, *Journal of Organizational Change Management*, *Asia-Pacific Journal of Education* and *Personnel Psychology*.

Dr Nikolina Koporcic earned her PhD in Economics and Business Administration in 2017, at Åbo Akademi University in Turku, Finland. She is currently an Assistant Professor of Marketing at Nottingham University Business School (UK), while being an affiliated researcher at Åbo Akademi University as well. Nikolina's research spans areas including corporate branding, entrepreneurship, business-to-business relationships and networks.

In particular, she is studying the importance of Interactive Network Branding for SMEs in business markets. Besides academic articles that are published in *Industrial Marketing Management*, *Journal of Business and Industrial Marketing*, the *IMP Journal*, and *Econviews*, Nikolina published two books with Emerald Publishing.

Ilke Kardes is currently an Assistant Professor of Marketing & International Business at Valdosta State University. She received Teacher Excellence Award in both 2018–2019 and 2019–2020 academic year. Previously, Dr Kardes taught classes in International Business at the Institute of International Business and served as Research Director at Center for International Business and Education Research (CIBER) at Georgia State University. Her research interests focus on emerging markets, middle class, branding, cross border e-commerce, and pedagogy in higher education. Her academic career and abilities have been shaped in different cultures including United States, Germany, and Turkey during years. Ilke is fluent in English, German, and Turkish.

Otabek Kasimov is a senior teacher of International Business Administration department at Tashkent State University of Economics (hereafter TSUE) and head of Joint degree program between TSUE (Uzbekistan) and IMC Krems (Austria). He majored in International business management (BA, 2011) and Foreign Economic Activity (MA, 2013) at the TSUE, Uzbekistan. Additionally, he earned an MBA in Marketing and Management at International University of Japan (MBA, 2018). His research interests include Marketing, International Business Management, and Corporate Culture, as well as Intercultural Competence. Mr. Kasimov published several articles and case studies in Marketing, Education, and International Business. He was also a guest lecturer in other universities such as HS Bremen (Germany). He is a co-author of Erasmus plus projects of TSUE.

Dr Stefan Lång is an Assistant Professor in Strategic Management at School of Business and Economics, Åbo Akademi University, Turku, Finland. Stefan's research interest include entrepreneurship, business development and innovation particularly focusing on migrant and refugee entrepreneurship, strategic communication and corporate social responsibility. Results of the research has appeared in international academic journals such as *Baltic Journal of Management*, *Critical Perspectives on International Business*, *Entrepreneurship Theory and Practice*.

Giovanna Magnani is Associate Professor at the Department of Economics and Management of the University of Pavia where she is vice director of the

PhD in Applied Economics and Management in collaboration with the University of Bergamo and faculty member of the Master in Marketing Utilities and Storytelling Techniques (M.U.S.T). Giovanna is co-chair of the annual 'ENTERYNG workshop on Entrepreneurship, Innovation, Internationalization' in collaboration with EIASM and ECSB associations and co-chair of the '3rd Renaissance through Digital Transformation Conference'. She has been visiting scholar at the University of Queensland (Australia) and at IAELyon Management School (France). Her studies have appeared in the *International Business Review*, *Journal of Business Research*, *International Marketing Review*, *European Management Journal*. She is member of the European Academy of International Business (EIBA), of the European Academy of Management (EURAM), and of the Italian Academy of Management (SIMA). In 2018 she has been awarded the "Best International Business Review Paper of the year" and in 2020 "Best European Management Journal" paper of the year.

Ulrike Mayrhofer is Professor of International Business at IAE Nice Graduate School of Management, Université Côte d'Azur. She is Program Director of the Executive MBA (Master of Business Administration) and member of the Digital Marketing & International Business team of the GRM-lab (Groupe de Recherche en Management). Her research focuses on market entry modes and internationalization strategies. She has published numerous books, book chapters and articles in journals such as *European Management Journal*, *European Management Review*, *International Business Review*, *International Studies of Management and Organization*, *Journal of International Marketing* and *Journal of Organizational Change Management*. She serves as Board Member (French representative) of EIBA (European International Business Academy) and Honorary President of Atlas AFMI (Association Francophone de Management International).

Valeria Nyu is a Ph.D. candidate at Nord University Business School in Bodø, Norway. Her research interests include marketing strategy and international trade, with a particular focus on marketing channels, export and import strategies in the seafood industry. Valeria's research also examines the exchange mode selection among small exporters, the determinants and outcomes of export distribution strategy and its influence on export performance, the impact of institutional environment on strategic behavior. She has presented her research at various international conferences. Prior to her doctoral studies, Valeria worked as a research assistant at Nord University Business School, where she earned her Master of Science degree in Business. She completed her undergraduate studies in linguistics and translation at Northern (Arctic) Federal University in Arkhangelsk, Russia.

Elena Poliakova is a PhD candidate at Georgia State University in Atlanta, GA. Her primary research interests include the role of language in international business and intercultural negotiations. Elena's research also explores brand storytelling, cross-cultural management, international marketing campaigns, and diaspora investment promotion. Her research has been presented at various international conferences and published in academic journals, such as the *Journal of International Business Policy* and the *Journal of Cross-Cultural and Strategic Management*. Elena is a recipient of GW-CIBER 2018 and GSU-CIBER 2020 summer scholarships. A native of Moscow, Russia, Elena earned her Master's and Ph.D. degrees in Linguistics at Lomonosov Moscow State University. Prior to her doctoral studies, she worked in the spheres of marketing and education in Russia, Germany, and the United States.

Dr Viviane Salazar was born in Sao Paulo, Brazil and currently lives in Recife, Brazil. She was a visiting scholar at Georgia State University in 2019, where she conducted research on internationalization of "tree to bar" Brazilian chocolate. Viviane is a Professor of Strategy and Hospitality at Universidade Federal de Pernambuco in Recife, Brazil. Viviane received her bachelor's degree in Hospitality at Universidade Federal de Pernambuco, Brazil, and her master's degree in Consumer Behavior at Universidade Federal de Pernambuco (2006) where she studied the fine restaurant industry in Brazil, and her Ph.D. in Business from the same institution (2015) where she studied the high cuisine in Latin America. Additionally, she has published in several journals in Brazil.

Davina Vora is an Associate Professor of International Business at the State University of New York at New Paltz (SUNY New Paltz). She has held visiting scholar positions in Finland, Peru, and Thailand and given guest lectures additionally in Canada, Germany, India, and Spain. Her research interests relate to cross-cultural management issues, such as individual-level multiculturalism, global leadership, psychological attachment, boundary spanning, the influence of culture on individuals and groups, group diversity, and roles of international managers. She has published in *Journal of International Business Studies*, *HBR.org*, *Asia Pacific Journal of Management*, *International Journal of Human Resource Management*, *Journal of International Management*, *Journal of Organizational Behavior*, and *Multinational Business Review*, among others. Davina received her Ph.D. from the University of South Carolina and B.A. from Wellesley College. Prior to earning her Ph.D., she worked for Coopers & Lybrand Consulting.

Jan-Åke Törnroos is Professor Emeritus of International Marketing at the School of Business and Economics at Åbo Akademi University, Finland.

He has published his main research within the areas of business marketing in networks, international marketing and intercultural management. He has also done research in qualitative inquiry and the role of time and process research in business management and strategy. His research has e.g. been published in the following international peer reviewed journals; *Industrial Marketing Management*, *Journal of Business Research*, *European Journal of Marketing* and *Journal of Business & Industrial Marketing*.

Lu Wang is a research fellow at Peking University case research center. He has served as assistant researcher, research fellow, and rotating operation director of r Peking University case center. As a business case developer, he has developed nearly 30 business cases with 10 professors from Guanghua School of management, Peking University.

Dr Marta Szabo White is Associate Professor in the Department of Management at Georgia State University and holds a Ph.D. from Florida State University. She has lectured internationally at the Ronald H. Brown institute for Sub-Saharan Africa, the Université Panthéon-Sorbonne, the National Management School in Chennai, India, and at the Budapest University of Technology and Economics. Dr White is the recipient of several teaching awards, including the Outstanding Teacher at Georgia State University, the RCB Faculty Recognition Award for Outstanding Teaching, the Board of Advisors Teaching Excellence Award, the International Education Excellence Award, the Master Teacher Certificate Award and the GSU Faculty Award for Global Engagement – Teaching, Service, and Outreach. Dr White directed the RCB Honors Program for fourteen years and has led 36 study abroad programs. Her scholarship of teaching interests stem from Duke CIBER collaborations, cross-cultural case studies, learning mode differences, and strategy/structure/performance linkages. Born in Budapest, she was a Hungarian Language Agent for Games of the XXVI Olympiad in Atlanta, 1996.

Lawrence Yu joined Lenovo in 2010 as the Executive Assistant to the Chairman & CEO, and now serves as the General Manager of Lenovo Retail Solutions. He was also Lenovo's Head of Global Social Media Marketing. Lawrence joined Lenovo from Citigroup's Global Leadership Program. He created the first China-focused financial services team in Brazil, serving clients in Chinese, English and Portuguese. He also co-founded Totodi Technology, a leading Fintech start-up providing innovative SaaS-based IT solutions to financial institutions. Lawrence earned an MBA from Harvard Business School and BA from Michigan State University. He serves as the VP of Harvard South China Club and has published four books. In 2017, he

represented Harvard University and won the overall champion of The Last Man Standing, a knowledge competition among elite universities globally. On May 19, 2018, Lawrence became the first-ever Harvard graduate to successfully summit Mt. Everest. He swims and runs regularly and is a huge American football fan.

Asude Yasemin Zengin is an Assistant Professor in the Health Management Department at Aksaray University's School of Health Sciences where she serves as the department head of Health Management and vice dean of the School of Health Sciences. She teaches Healthcare Marketing, Marketing Management, Brand Management and Foreign Trade Logistics in the undergraduate programs in Aksaray, Atılım, and Cankaya University and Marketing Management and Contemporary Management in the MBA program at Atılım University. She is the author of several academic publications on international marketing, social media marketing and consumer behavior also, has authored books on the export performance of emerging markets and integrated marketing communications. Zengin completed her undergraduate degree at Gazi University. She earned her master's degree and doctorate from Gazi University Institute of Social Sciences. She worked as a visiting scholar at Georgia State University Center for International Business in the 2011–2012 academic calendar.

Zhi-Xue Zhang (zxzhang@gsm.pku.edu.cn) is Professor of Organization and Strategic management, the director of Center for Research in Behavioral Science, and the director of Management Innovation Interdisciplinary Research Platform at Guanghua School of Management, Peking University. His research interests include Chinese leadership, team process, negotiation and conflict management, and cross-cultural management. He was a visiting scholar at Northwestern University, University of Illinois, Stockholm University, and University of Hong Kong. In 2009, the National Natural Science Foundation of China named him a Distinguished Young Scholar. He has published over 100 research papers in *Journal of Applied Psychology*, *Journal of Management*, *Administrative Science Quarterly*, *Journal of International Business Studies*, and other outlets. He is currently the President Elect of International Association for Chinese Management Research (IACMR) and a senior editor of *Management and Organization Review*.

YingYing Zhang-Zhang is currently a Full Professor of Management at Graduate School of International Management, International University of Japan (IUJ). Prior to her position at IUJ, she was a faculty member at CUNEF in Spain. She has also held several visiting positions as professor and scholar around the world in the U.S.A, Latin America, UK, and

Germany. She publishes frequently research articles in management journals and has written several management books, with the latest one *Leadership of Chinese Private Enterprises* (2019 Academy of Management George R. Terry Book Award Nomination). She is a board member of Women in the Academy of International Business.

Antonella Zucchella is professor of Marketing at the University of Pavia in Italy. She has been visiting Research Scholar at Anglia Ruskin University in Cambridge, UK, 2013–2019 and at Harvard Business School, October 2019. She has also been visiting professor of International Marketing at the University of Strasbourg in France 1996–2018. She gave lectures and seminars in various Universities in Italy and abroad and keynote speaker in several international conferences. She is member of the Italian and of European Academy of Management, of the Italian Marketing Society, of the Academy of International Business, of the European International Business Association. Her research interests are in international business, marketing and international entrepreneurship, small business management and entrepreneurship, sustainable and circular entrepreneurship. She published in *International Business Review*, *International Marketing Review*, *Business Strategy and the Environment*, *Management International Review*, *Journal of World Business*, *Journal of Institutional Economics*. She is also author of several books.

Preface from the Authors

Emerging markets – rapidly transforming and dynamic economies – have been the focus of numerous firms in search of market and growth opportunities over the past four decades. The term ‘emerging’ actually describes a phase in the evolution of economies characterized by rapid economic transformation, market liberalization, and impressive gains in competitiveness. This phase, often accompanied by significant social and political change and urbanization, is subject to acceleration, deceleration, and even interruption. Its duration also varies for different economies. For this reason, although emerging markets share many similarities, each experiences a unique journey.

We wrote this book as the world experienced one of the most devastating disruptions in the history of mankind, the global pandemic of 2020. The ensuing global recession caused much hardship and ushered in a new global economic order, yet the phenomenon of rapid economic transformation and the story of emerging markets remain very relevant. Despite having to endure economic shocks, emerging markets continue to be highly dynamic and full of market potential.

With an amazing alleviation of poverty and steady rise of middle-class households, income levels are escalating, and emerging market consumers are striving to raise their living standards to the same level as those in advanced economies. Most are keen to buy Western products and adopt contemporary lifestyles. Such advanced economy firms as VW, BMW, and Citibank, as well as many luxury brands, are already generating the bulk of their revenues from emerging markets. Clearly, the share of the global consumption accounted for by emerging markets is on the rise and expected to grow steadily. As the share of global consumption accounted for by emerging markets continues to increase, so will global competition for resources and capital. To help alleviate this intensifying contest, we expect more emphasis on the rapid deployment of new technologies, the sustainable use of resources, and collaborative business models.

This book provides a primer on the evolution of emerging markets, their firms, and consumers. Individual chapters provide the essential knowledge, and the accompanying cases illustrate the rich experiences of firms doing business in these economies. The cases, covering a wide range of emerging markets, serve to showcase specific industries and topical contexts.

We trust that the book will be of interest to students, scholars, practitioners, and policymakers eager to grasp a comprehensive understanding of the contemporary trends in emerging markets. Readers should find the writing clear, concise, and accessible.

We wish to acknowledge the highly valued assistance of several individuals in the preparation of the book. Dr Maria Luiza Pinho provided skilful research assistance and exhibited design creativity with almost all of the exhibits featured in the chapters. We received exceptional editorial guidance from Mr Sebastian van der Vegt of Untold Communications. His contribution to the development of the chapters was invaluable. Having lived and worked in emerging markets for much of his career, his practical insights and experience helped shape the flow and content of the book. Additionally, Mr Frank Armstrong was very helpful in reading and editing the manuscript. Finally, we are thankful to the team at SAGE Publishing who provided excellent editorial guidance in the preparation of this book.

We trust that you will enjoy the story of the fascinating economies we call emerging markets!

*S. Tamer Cavusgil
Pervez N. Ghauri
Leigh Anne Liu*

Online Resources



Doing Business in Emerging Markets, 3rd edition is accompanied by online resources for instructors to help support teaching. These resources are available at: <https://study.sagepub.com/cavusgil3e>

For Instructors

- Easily **integrate the chapters** into your weekly chapters with the **PowerPoint slides** created by the author team.
- **Support wider reading and research** for students with the help of the useful links provided, including **key publications and web resources**.
- **Encourage further discussion** of the case studies within the text with the **teaching notes** provided by the case author teams.

PART ONE
FOUNDATION CONCEPTS

