

Contents

| | |
|---|-------------|
| Territorial acknowledgment | xv |
| Acknowledgments | xvi |
| Acronyms, abbreviations, definitions, and conventions | xvii |
| Authors | xix |
| Table of abbreviations and acronyms | xx |
| Preface | xxv |
| | |
| 1 Market categories | 1 |
| Why study emerging markets? | 1 |
| Other definitions | 4 |
| Other country classifications: N-11, 3G, NICs, income levels, BRICS, and MINT | 5 |
| Characteristics of emerging markets | 6 |
| The three growth trajectories | 15 |
| Expanding <i>into</i> emerging markets | 15 |
| Expanding <i>from</i> emerging markets | 17 |
| Expanding <i>within</i> emerging markets | 19 |
| Beyond profit: Making a difference | 20 |
| Conclusion | 20 |
| | |
| 2 The VUCA framework | 25 |
| Introduction to VUCA | 25 |
| Volatility | 26 |
| Uncertainty | 28 |
| Complexity | 29 |
| Ambiguity | 31 |

CONTENTS

| | |
|--|-----------|
| Combined VUCA factors | 32 |
| Addressing VUCA risks | 35 |
| Case study – Kashagan | 37 |
| Strategy summary | 37 |
| Conclusion | 38 |
| 3 Sustainability and the pillars of ESG in emerging markets | 41 |
| Sustainability | 42 |
| The United Nations Global Compact | 42 |
| The United Nations Sustainable Development Goals | 43 |
| Environmental, social, and governance | 44 |
| The environmental pillar | 44 |
| Climate change | 45 |
| Resource management | 46 |
| Pollution | 48 |
| Metrics for environmental impact | 50 |
| The social pillar | 51 |
| Human rights | 51 |
| Indigenous rights | 53 |
| Employment standards | 54 |
| Community engagement | 56 |
| Empowering women | 57 |
| Metrics for social impact | 57 |
| The governance pillar | 58 |
| Governance models | 59 |
| Corruption, bribery, and transparency | 60 |
| Metrics for governance | 64 |
| The corporate path to sustainability | 65 |
| The business case for sustainable strategy | 65 |
| Global reporting frameworks | 67 |
| Global Reporting Initiative | 67 |
| Sustainability Accounting Standards Board | 68 |
| Integrated Reporting | 68 |
| Sustainability certification | 68 |
| Sustainability planning | 69 |
| Conclusion: The future of sustainability | 69 |
| 4 Emerging market macroeconomics and analysis | 76 |
| Introduction: Why conduct research? | 76 |
| Desk-based research: Sources | 78 |
| U.S. Government | 78 |
| Local government | 79 |
| International organizations | 79 |
| International businesses | 79 |

| | |
|---|------------|
| Academic research | 80 |
| Evaluating macroeconomic indicators | 80 |
| GDP growth rates | 80 |
| Market size and potential | 80 |
| Market readiness and business climate | 81 |
| Political and regulatory environment | 82 |
| Conclusion | 84 |
| 5 Emerging market consumers | 86 |
| Introduction | 86 |
| Digital research | 86 |
| Consumer analysis | 87 |
| Consumer segmentation | 88 |
| Consumer culture | 91 |
| Consumer behavior | 93 |
| Consumer psychology | 95 |
| Social factors | 97 |
| Payment systems | 97 |
| Primary research methods | 99 |
| Qualitative research | 99 |
| Ethnographic research | 99 |
| Survey-based research | 101 |
| Being there | 101 |
| Case studies: Success and spectacular failure | 101 |
| Conclusion | 103 |
| 6 Market entry modes | 106 |
| Introduction: Market entry modes | 106 |
| Exporting | 107 |
| Foreign direct investing | 109 |
| Licensing and franchising | 113 |
| Joint venturing | 113 |
| Making the choice | 116 |
| How many markets? | 117 |
| Conclusion: Emerging trends | 118 |
| 7 Formulating vision and mission statements, value propositions, and gaining competitive advantage | 121 |
| Introduction | 121 |
| Vision | 122 |
| Mission | 123 |
| Organizational goals | 124 |
| Core competencies | 125 |
| Values | 126 |
| Identity | 127 |

CONTENTS

| | |
|--|------------|
| The customer value proposition | 128 |
| Unmet and latent needs | 128 |
| MineSense | 129 |
| Adapting to regional markets | 132 |
| Coca-Cola in Asia | 132 |
| Volkswagen in India and Brazil | 133 |
| Gaining competitive advantage | 133 |
| Pricing models | 135 |
| Conclusion: Joining theory and practice | 139 |
| 8 Branding and marketing for emerging markets | 142 |
| Introduction | 142 |
| Brand concepts | 143 |
| Brand protection | 146 |
| The media landscape | 148 |
| Conclusion | 150 |
| 9 Supply chains and distribution channels in emerging markets | 153 |
| Introduction: Perilous travels | 153 |
| Infrastructure deficiencies | 154 |
| Supply chains in emerging markets | 158 |
| Sustainability challenges | 159 |
| Supply chain challenges | 160 |
| Shoring techniques | 160 |
| Supply chain management | 161 |
| Supply chain strategy | 163 |
| Supply chain risk management | 163 |
| Quality control | 164 |
| Reputational risk | 165 |
| Actionable steps for SCM | 165 |
| Distribution channels | 166 |
| Building a strong distribution network | 166 |
| Last-mile delivery | 168 |
| E-commerce logistics in emerging markets | 169 |
| Measuring chain and channel efficiency | 170 |
| Conclusion | 171 |
| 10 Legal complexity in emerging markets | 174 |
| Introduction: Regulation and strategy | 174 |
| Regulatory expansion | 174 |
| Strategic implications | 175 |
| Attracting investment | 175 |
| Legal systems | 175 |
| Judicial systems and enforcement | 177 |

| | |
|--|------------|
| Regulatory domains | 177 |
| Market entry and competition law | 177 |
| Intellectual property | 178 |
| Data protection and digital regulation | 180 |
| Corporate formation | 181 |
| Property and land use | 181 |
| Labor and employment | 182 |
| Environmental, social, and governance frameworks and regulation | 184 |
| Environmental laws | 184 |
| Social impact | 186 |
| Governance | 187 |
| Finance and taxation | 188 |
| Corporate income tax | 189 |
| International transfer pricing | 189 |
| Taxes on sales | 191 |
| Withholding taxes | 191 |
| Compliance strategies | 191 |
| Regulatory arbitrage | 192 |
| Non-market strategies | 193 |
| Conclusion: Rising to the challenge | 195 |
| 11 Human resources and talent management in emerging markets | 197 |
| Introduction | 197 |
| HR challenges in emerging markets | 198 |
| Migration and labor dynamics | 198 |
| Recruiting and retaining talent | 199 |
| Cross-cultural management | 200 |
| Informal and gig work | 202 |
| Developing talent | 202 |
| Forward-looking practices in HR | 204 |
| Conclusion | 206 |
| 12 Financing, fundraising, and investment in emerging markets | 209 |
| Introduction: Scope | 209 |
| Perceived risk and the cost of capital | 210 |
| Traditional sources of funding | 213 |
| Debt-based alternative sources of funds | 217 |
| Participation-based alternative sources of funds | 219 |
| ESG-driven financing | 220 |
| Investment risk management | 221 |
| Investment strategy | 223 |
| Giving up | 224 |
| Conclusion | 224 |

CONTENTS

| | |
|--|------------|
| 13 Trends and opportunities in emerging markets | 227 |
| Introduction | 227 |
| Artificial intelligence | 228 |
| Environmental | 229 |
| Social | 230 |
| Governance | 232 |
| Other fast-moving developments | 234 |
| Conclusion: Embracing the future | 236 |
| | |
| Appendix: Evaluation models | 239 |
| Introduction | 239 |
| SWOT analysis | 239 |
| PESTEL analysis | 241 |
| PE diamond model | 242 |
| POCD model | 243 |
| | |
| Index | 244 |