

Doing Business in Emerging Markets

(MNGT-E2001, 6 ECTS)

SYLLABUS

October, 18 2023

| Instructor's contact information | Course information |
|--|---|
| Postdoctoral researcher Daria Kautto E-mail: daria.kautto@aalto.fi | Status of the course: Elective course Academic Year, Period: 2023-2024, Period II Language of Instruction: English |
| Course assistant: Yian Chen E-mail: yian.chen@aalto.fi | Location: see the course website for the location of each session Course Website: https://mycourses.aalto.fi/course/view.php?id=40761 |
| Office: BIZ building, Management Studies Office Hours: upon agreement | |

1. OVERVIEW

The rise and transformation of emerging market economies around the world over the past three decades is clearly one of the megatrends of this century. The role of emerging markets is significant not only because of increased cross-border trade and investment in these economies, but also because of their impact on the societal, (geo)political, and cultural trends on the global scale. As such, developing an understanding of whether and how to do business in emerging markets is no longer an option for most firms but a necessity.

This course aims to untangle the rewards and challenges and chart opportunities for doing business in emerging markets. These markets are often associated with high uncertainty, turbulence, and volatility, yet they also present tremendous business opportunities. Moreover, businesses that are adept at operating in such "VUCA" (volatile, uncertain, complex, and ambiguous) environments, and can adjust rapidly to an altered business context, are likely to be more resilient in the times of increasing radical uncertainty and global disruptions.

The course will explore a wide range of issues relating to why, under what conditions, and how to do business in and with emerging markets. During the course we will a) discuss the common characteristics, pathways to economic transformation, opportunities and challenges presented by the emerging markets, b) introduce the internationalization strategy alternatives for entering emerging markets, c) discuss the internationalization strategies of the emerging market multinationals; d) present the ways to manage the operations, people, and government relations in emerging markets, e) provide insights on the marketing communication strategies and digital marketing activities in emerging markets (with the specific focus on China and MENA region), f) discuss the role of the companies in development actions in emerging economies aimed at accomplishing the sustainable development goals (SDGs) (with the specific focus on African region), and g) engage in the panel discussion about the new geopolitical era of international business and the role of political risk in emerging markets (with the specific focus on Russia).

2. PREREQUISITES

The course does not have specific prerequisites.

3. LEARNING OUTCOMES

Upon completion of the course, you will be able to:

- Critically assess the opportunities and risks associated with doing business in emerging markets;
- Understand the key factors influencing strategic choices of the firms expanding abroad into/from emerging markets;
- Understand and apply conceptual frameworks to situations facing firms when operating in emerging markets;
- Understand ethical dilemmas facing firms and employees in emerging markets.

4. ASSESSMENT AND GRADING

The course assessment will be based on the following components:

Assignment 1: Case study assignment in teams (40%):

- Presentation: a set of PowerPoint slides, presentation, and Q&A (20%)
- Executive summary (20%)

Assignment 2: Individual final course report (40%)

- An individual re-cap of the course learning applied in the analysis of business operations of a firm expanding into/from one selected emerging market

Assignment 3: News from emerging markets (20+2%):

- News pieces to be presented and discussed in the class (10%)
- And posted on MyCourses together with 2 constructive comments on the news posted by other course participants (10%)
- Course feedback (2%)

To get credit for the course, 70% of the lectures must be attended (7/10). The class takes place face-to-face in the classroom in the Fall 2023 (unless marked as an online session in the course schedule). You are expected to be on time and prepared to participate actively during the course sessions.

Final grade (0 to 5) is based on the points below:

| | |
|---------------|-----|
| 0-49 points | = 0 |
| 50-59 points | = 1 |
| 60-69 points | = 2 |
| 70-79 points | = 3 |
| 80-89 points | = 4 |
| 90-100 points | = 5 |

All assignments must be submitted and the final group case study presentation made in order to get a final grade for the course. General feedback is given during the lectures and/or on MyCourses following the submissions. Specific feedback could be given personally for students or teams upon request. Note that turning in class assignments is considered acknowledgement of guidelines on scholastic honesty and academic integrity (see section 9).

5. ASSIGNMENTS

The assignments for this course consist of a case study assignment conducted in teams and a set of individual assignments. Please find a detailed description below.

Assignment 1: Case study assignment in teams (40%)

As part of the course, the students apply their knowledge and skills in a case study assignment executed in the teams of five people. All students will be offered several case studies supported with work instructions at the course webpage in MyCourses. To start working on the case, you will need to form a team and after that individually enroll for the selected case study in MyCourses.

The teams work on the case studies independently outside of the classroom. The teams are encouraged to meet face-to-face, if possible. All teams will have a mandatory meeting with the course instructors on **November, 16 at 9:00-11:45 am**. The teams will need to book a time slot for the meeting via MyCourses. Please provide a short (1-2 A4) description of your group work to the course instructors by midnight on **November, 12** via MyCourses. It is ok if only a few team representatives attend the meeting in case not all members of the team can join. When working on the case analysis, remember to utilize your earlier knowledge and search new information, when necessary.

There are three deliverables:

- i) a set of Power Point (or equivalent) slides,
- ii) an executive summary of the assignment (maximum 5 pages, font 12, line spacing 1,0),
- iii) an in-class presentation, including Q&A.

The time allocated for each case study presentation will be decided and communicated during the course. The presentations will take place at the last course session on **November, 30**.

Deadline: All material (i.e. a set of slides and an executive summary) must be uploaded on MyCourses by midnight on **November, 26**.

Evaluation: Maximum number of points for the assignment is 40 (a set of PowerPoint slides, presentation, and Q&A - 20 points; executive summary - 20 points)

Assignment 2: Individual final course report (40%)

The final course report represents a re-cap of the course learning, which reflects all topics covered in the course during the lecture sessions and visits of the company speakers. The report should comprise theoretical grounds provided in the course literature, as well as empirical evidence discussed in the classroom and gathered independently.

The report consists of two parts. The first part presents a critical analysis of the specifics of business environment that need to be taken into account when considering a market entry in one selected emerging market, which the students choose themselves. This part should strongly rely on the theoretical concepts introduced in the classroom and offered in the course reading materials. The second part of the report is empirical. It includes your in-depth analysis of a) one foreign case company, which entered an emerging market selected in Part 1 and either is still present there or has exited at some point of time, or b) one emerging market case company, which has expanded abroad either into other emerging markets or advanced economies.

The companies presented in written cases provided for Assignment 1 could not be used in Assignment 2. Otherwise, your choice of the company is not limited by any criteria besides

information availability. You may collect primary information or do the assignment entirely with secondary data. In your case analysis, you can focus on one of the several aspects of firm's business operations in an emerging market: e.g. market entry strategy, growth strategy, marketing strategy, innovation strategy, people management, or sustainability.

The work is graded for quality, as reflected in the rigorous execution, strong argumentation of the opinion you present, and clarity of reporting. The length of the report should not exceed 10 pages including references and potential appendices (font 12, line spacing 1,0; reference style APA).

Deadline: The report must be uploaded on MyCourses by midnight on **December, 11.**

Evaluation: Maximum number of points for the assignment is 40 (Part 1 - 20 points; Part 2 - 20 points)

Assignment 3: News from emerging markets (20%)

Businesses environment in emerging markets is often volatile, uncertain, and changing rapidly. Keeping yourself updated with the most recent news in these markets would help you to anticipate changes and adjust rapidly to an altered business context. This assignment offers you an opportunity to create a routine of following the news from emerging markets on a regular basis and engage in their discussion with the course instructors, company visitors, and fellow classmates.

The assignment consists of two parts. First, you are expected to find, read and be prepared to share and discuss in class one piece of news from emerging markets. The news will be presented at each of the course sessions (see the section *Schedule* for more details about the dates of the lectures where we will discuss the news). Each student is expected to present once during the course and engage regularly in the discussions of the news presented by others. The news do not necessarily need to be long and could concern a relevant business or management issue that has a significant relation to emerging markets. When selecting the news, consider the credibility and the motives of the source providing the news. The work is going to be graded for both – the presentation of your own news and the active engagement in the discussion of the news presented by other participants. This part of the Assignment 3 will provide you with maximum 10 points.

Second, you are expected to post one of your news on MyCourses together with two constructive comments on the news posted by other course participants. The post should be about 5-10 sentences long (it could be longer though if desired) and should include a link to the news article, website, etc. where you found the news item. You should also comment on two posts shared by other course participants. The comments should be constructive in nature and provide your reflection or a critical opinion supported by the arguments related to the presented piece of news. The comments could be about 3-8 sentences long. Please, see an example of both the posts, and the comments in Mycourses. This part of the Assignment 3 is aimed at allowing the course participants to further reflect on the link between the course material and the real-world events and express their opinions online in addition to in-person interactions inside the class. The news posts must be completed by November, 14, and the comments to the news by November, 21. The second part of Assignment 3 will provide you with maximum 10 points (own post – 5 points, 2 comments – 2,5 points / each).

6. READINGS

Textbook

Doing Business in Emerging Markets, 3rd edition, by S. Tamer Cavusgil, Pervez N. Ghauri, and Leigh Anne Liu. SAGE Publications, Ltd. (UK), 2021.

Please notice that there is only few paperback copies of the book available at Aalto University Learning Centre. However, you are allowed to do "copying (scanning) for the private use". You could find the instruction of the library for producing copies for the private use here: <https://www.kopiosto.fi/en/kopiosto/about-copyright/frequently-asked-questions-about-copyright/> For more information, please contact Aalto University Learning Centre.

Session 1: What is an Emerging Market?

- Chapter 2 in *Doing Business in Emerging Markets*, 3rd edition, by S. Tamer Cavusgil, Pervez N. Ghauri, and Leigh Anne Liu. SAGE Publications, Ltd. (UK), 2021.

Session 2: Expansion into Emerging Markets

- Chapters 4 and 5 in *Doing Business in Emerging Markets*, 3rd edition, by S. Tamer Cavusgil, Pervez N. Ghauri, and Leigh Anne Liu. SAGE Publications, Ltd. (UK), 2021.
- The case "Tim Hortons: Bringing Canada's Iconic Coffee to China" (available in MyCourses)

Session 3: Emerging Market Multinationals (EMNEs): the case of Latin America

- Alvaro Cuervo-Cazurra, Alicia Rodriguez, & C. Annique Un (2021) Internationalization of Emerging-Markets Multinationals: The Role of the Underdevelopment of the Home Country, in K. Mellahi, K. Meyer, R. Narula, I. Surdu, and A. Verbeke (Ed.) *The Oxford Handbook of International Business Strategy*. Oxford University press.

Session 4: Business Environment of China in the Post-pandemic Era

- Li, H. & Li, X. (2023) The COVID-19 Pandemic's Impact on the Chinese Economy, *China Currents.*, 22(1), Available from: <https://www.chinacenter.net/2023/china-currents/22-1/the-covid-19-pandemics-impact-on-the-chinese-economy/#fn-6279-4>
- Huld, A. (2023) China Reopening in 2023 – What's Changed in the Economy, Policy and Diplomacy?, *China Briefing*, Available from: <https://www.china-briefing.com/news/chinas-reopening-in-2023-whats-changed-economy-policy-diplomacy/>
- Cave, D. (2023) How 'Decoupling' from China became 'De-risking', *The New York Times*, Available from: <https://www.nytimes.com/2023/05/20/world/decoupling-china-de-risking.html>
- Zipser, D. et al. (2021) Reviving the engine: The COVID-19 Impact, In: Understanding Chinese Consumers: Growth Engine of the World, Available from: <https://www.mckinsey.com/~media/mckinsey/featured%20insights/china/china%20still%20the%20worlds%20growth%20engine%20after%20covid%2019/mckinsey%20china%20consumer%20report%202021.pdf>

People management in China

- Case: Smale, A., Björkman, I., & Saarinen, J. (2015) Pushing the Right Buttons: Global Talent Management at KONE Corporation.

- Chapter 2 in *The Global Challenge*, 4th edition, by V. Pucik, I. Björkman, P. Evans, & G. Stahl. Edward Elgar Publishing Ltd. (UK), 2023.

Session 5: Business environment and community engagement in economic activities in Africa

- To be advised.
- Case: Tata Chemicals Magadi: Confronting Poverty in Rural Africa

Session 6: Go-to-market Success in Emerging Markets: the case of MENA region

- To be advised.
- Chapters 7 and 8 in *Doing Business in Emerging Markets*, 3rd edition, by S. Tamer Cavusgil, Pervez N. Ghauri, and Leigh Anne Liu. SAGE Publications, Ltd. (UK), 2021.

Session 7: no preliminary readings

Session 8: Marketing mix and digital marketing in China

- Zipser, D., Seong, J., and Woetzel, J. 2021. Seven segments shaping China's consumption landscape. McKinsey & Company. <https://www.mckinsey.com/cn/our-insights/our-insights/seven-segments-shaping-chinas-consumption-landscape>
- Guide to China Social Media Platforms 2023. Kawo. Available for download at: [Reports & Guides | KAWO 科握](#) and in MyCourses.
- Fetscherin, M., Alon, I., Littrell, R., & Chan, A. (2012) In China? Pick your brand name carefully. *Harvard Business Review*, 90(9): 26.
- Aalto Brand guidelines: [Brand essence - Aalto DS](#)
- Tuition fees and scholarships for international students at Aalto: [Tuition fees and scholarships | Aalto University](#)
- Helsinki Time (16 June 2023) Finland's new government introduces reforms in immigration and social security policies. [Finland's new government introduces reforms in immigration and social security policies \(helsinkitimes.fi\)](#)

Session 9: Political risk in Emerging Markets: the case of Russia

- Meyer, K. & Estrin, S. (2023) It's Hard to Say Goodbye: Managing Disengagement during Political Disruptions. *AIB Insights*, 23 (2), <https://doi.org/10.46697/001c.72023>
- Meyer, K., Fang, T., Panibratov, A., Peng, M., & Gaur, A. (2023) International business under sanctions. *Journal of World Business*, 58(2), <https://doi.org/10.1016/j.jwb.2023.101426>
- Grant, A., Haider, Z., & Levy, A. (2021) How global companies can manage geopolitical risk. <https://www.mckinsey.com/capabilities/risk-and-resilience/our-insights/how-global-companies-can-manage-geopolitical-risk>
- Dhawan, R., West, S. (2019) The CEO as Chief Geopolitical Officer. KPMG. <https://assets.kpmg/content/dam/kpmg/xx/pdf/2018/03/the-ceo-as-chief-geopolitical-officer.pdf>

Session 10: no preliminary readings

SCHEDULE

| | Date | Room | Topic(s) | Lecturer(s) | Assignment |
|----|------------------------------|--------------------------|--|--|--|
| 1 | 24.10 (Tue) 9:00 – 11:45 | V001 | 1. Introduction and course practicalities 2. What is an Emerging Market? | Daria Kautto | |
| 2. | 26.10 (Thu) 9:00 – 11:45 | V001 | Expansion into Emerging Markets - Market potential - Entry strategy Case study: Tim Hortons | Daria Kautto | Assignment 3 NEWS |
| 3. | 31.10 (Tue) 16:15 – 19:00 | V002 | Emerging Market Multinationals (EMNCs): - The case of Latin America Case study: Grupo Nutresa - The case of India | Maria A. De Villa Jhoomer Sinha | Assignment 3 NEWS |
| 4. | 7.11 (Tue) 9:00 – 11:45 | V001 | 1. Business Environment of China in the Post-pandemic Era 2. People management in China | Yian Chen Vlado Pucik | Assignment 3 NEWS |
| 5. | 9.11 (Thu) 9:00 – 11:45 | V001 | Business environment and community engagement in economic activities: The case of Africa | Daria Kautto Patrick Shulist | Assignment 3 NEWS Submit description of Assignment 1 by 12.11 |
| 6. | 14.11 (Tue) 9:00 – 11:45 | V001 | Go-to-market success in Emerging Markets: The case of MENAT region | Bulent Kotan | Assignment 3 NEWS Make news posts by 14.11 |
| 7. | 16.11 (Thu) 9:00 – 11:45 | V001 | Discussions with student teams about their projects | Daria Kautto Yian Chen | |
| 8. | 21.11 (Tue) 9:00 – 11:45 | F102 (Väre) | Marketing mix and digital marketing in China Case study: Aalto University in China | Rixin Jiang | Make news comments by 21.11 |
| 9. | 23.11 (Thu) 9:00 – 11:45 | A208d Jetti (Otakaari 5) | Geopolitical risk in Emerging Markets: The case of Russia | panel discussion | |
| 10 | 30.11 (Thu) 9:00 – 13:30 | V001 | Team presentations; Course wrap-up | Daria Kautto Yian Chen | Assignment 1 uploaded by 26.11 |
| | 11.12 | | | | Assignment 2 |

7. COURSE WORKLOAD

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|--------------------------------|--------------------|
| Classroom hours, online | 33h |
| Class preparation | 54h |
| Assignments | 73h |
| Total | 160h (6 cr) |

8. ETHICAL RULES

Aalto University Code of Academic Integrity and Handling Violations Thereof

<https://into.aalto.fi/display/ensaannot/Aalto+University+Code+of+Academic+Integrity+and+Handling+Violations+Thereof>