

Course Outline

Department of Marketing, International Business and
Entrepreneurship
School of Business and Economics

IBUS 4560-3
Doing Business in Emerging Markets (3,0,0)

Calendar Description

Students examine the position of emerging markets in the new global economy and the business opportunities available in these countries. It highlights challenges and opportunities associated with organizational management and business strategy in emerging economies. Topics include understanding emerging economies; markets and institutions; operating in emerging markets; emerging markets' innovations; managing risk in emerging markets; targeting emerging market clients; and business ethics in emerging markets.

Educational Objectives/Outcomes

Upon successful completion of this course, students are able to:

1. Discuss emerging markets and their characteristics.
2. Identify the main differences and similarities that characterize emerging economies.
3. Analyze the challenges and opportunities presented by emerging economies.
4. Describe the institutions of emerging economies that are relevant to managers and how they work.
5. Examine how low-cost innovations take place in emerging markets.
6. Explore distinct strategy options for emerging economies.
7. Assessing the risk encountered by firms operating in emerging countries.
8. Develop entrepreneurial and cross-border business strategies for the multi-level emerging markets.
9. Analyze the additional ethical challenges and issues of social responsibility common in emerging markets.

Prerequisites

IBUS 3510 or IBUS 3511

Texts/Materials

Luciano Ciravegna, Robert Fitzgerald and Sumit K. Kundu, Operating in Emerging Markets: A Guide to Management and Strategy in the New International Economy, Pearson Education Canada, 2013.

Student Evaluation

Mid-terms 0-20%

Quizzes	0-10%
Participation/attendance	0-10%
Case studies/projects/assignments/simulations	20-30%
Final exam	20-40%

Term tests and the final exam must not make up more than 70 percent of evaluation and group work must not make up more than 50 percent.

Course Topics

1. What are Emerging Markets?
 - Emerging, developing, catching up
 - Economic performance, GDP and emerging markets
 - Financial markets and macro-economic stability
 - Political instability and economic performance
 - Wealth, productivity and inequality
 - Demography and wealth
 - Consumption and first time buyers
 - Infrastructure
 - Sophistication of the economy
2. Understanding Emerging Economies
 - Why are emerging economies important?
 - Why are they still emerging?
 - Business features: identifying where, what, and how?
 - Perspectives for evaluating emerging market potential
3. Markets and Institutions
 - Understanding the functioning of markets
 - Barriers to trade and integration of international markets
 - Governments and markets
 - Governments and the economy
4. Operating in Emerging Markets
 - The determinants of attractiveness and the four dimensions
 - Classifying the determinants of attractiveness
 - Four macro dimensions that shape emerging markets
 - Operationalizing the four dimensions analysis
5. Emerging Markets Innovation: The Next Wave Triggered by Low-Cost Cars
 - Low-cost business models in emerging markets
 - Key levers in reducing product costs
 - Design effectiveness – key for sustainable low-cost solutions
 - Driving down factor costs
6. Managing Risk in Emerging Markets

- Defining risk in EM
- Expected and unexpected risk
- Location risk and targeted risk
- From location to targeted risk
- Assessing and managing risk

7. Targeting Emerging Market Clients I: The Rich and the Middle Classes

- Targeting the rich
- Targeting the upper middle-class
- Disconnected markets and growth potential
- The new middle classes

8. Targeting Emerging Market Clients II: Strategies for the Base of Pyramid (BoP)

- Making the poor visible
- The BoP and exclusion from markets
- How can business target the BoP effectively?
- Building BoP business models

9. Emerging Market Multinationals (EMM): Features and Strategies

- What are EMMs?
- State-owned Enterprises, Conglomerates, and Specialized Players
- Internationalization of the EMMs

10. Business Ethics in Emerging Markets

- Cultural differences and relativity of business ethics
- Ethical business practices in EM
- Generating social capital and long-term performance
- Adopting global standards and best practices

Methods for Prior Learning Assessment and Recognition

As per TRU policy