Targeting Emerging and Untapped Markets : Rethinking Market Intelligence Decision Framework

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Abstract

De-growth and stagnation in the developed world has led firms to target emerging and untapped economies for future sustainability. African and Latin American countries have attracted both large and small companies to set up operations and fuel growth. While these markets pose growth opportunities, it is a challenge, especially for smaller firms, to arrive at a go-no-go decision given the paucity of quality documented information available on such markets. Business environment assessment is half baked as traditional sources of information are limited. Firms are forced to take ad-hoc decisions based on the documented information available from analyst reports, published databases or handbooks, and trade journals. This paper addressed the gap by suggesting a framework for informed decision making on market entry. The Market Intelligence Information framework links the conventional information sources with other undocumented and unconventional formats of market intelligence through external business partners, social media and blogs, family networks, and third party market intelligence firms. Based on the framework, firms targeting untapped markets shall be able to take informed decisions and formulate market entry strategy due to better quality and variety of market intelligence. Contribution of the paper has rich managerial implications along with theoretical contribution on business environment assessment for internationalization.

Keywords : Business environment, emerging market, entry strategy, untapped market, PESTEL, CAGE

JEL Classification : M16, M31, M21

Paper Submission Date : March 14, 2017 ; Paper sent back for Revision : December 14, 2017 ; Paper Acceptance Date : December 26, 2017

Emerging [1] economies (e.g. Brazil, Russia, China, India, Indonesia, and Poland) have been the favored markets for more than two decades now and have received a huge flow of foreign direct investment (FDI). From global houses, that is, P&G, Unilever, Nokia, to the emerging brands i.e. Mahindra & Mahindra, Bharat Forge, Marico, Ashok Leyland, to name a few, have demonstrated interest in these markets. "Head Eastwards" has been the corporate slug line for some time now and today we see every product category having the best brands in emerging economies. However, with the recessionary clouds hovering over these economies for quite some time, with no signs of disappearance; corporations have started looking at greener pastures. The

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[1] Emerging markets are characterized by those transactional areas where buyers and sellers are not easily or efficiently able to come together.
[2] Markets which have very little or negligible documentation on history, culture, topography, political, and social climate; de-linked from the rest of the world with no clear trade and logistics route.

business scales have shifted from "emerging" to "untapped" [2] economies and once again it is the urge to be the first. The untapped geographies in the African, Latin American and some of the erstwhile Soviet group of nations promise to be the growth drivers for the next 10-15 years. Countries like Nigeria, Algeria, Morocco, Kenya, Tanzania, Egypt, Chile, and Uruguay, will define growth for the next decade.

Entry strategy into new markets has always been driven by a mix of macro and micro factors. But this has been true for economies with a relatively better structure, governance, size, and behavioral patterns. Taking the example of BRICS nations, none of the countries have ever been a complete surprise element due to rich documented history and culture. In one way or the other, geographically they have been in the world logistics map and trade zone. Hence, the complexity and risk in entering these markets has been relatively lower. The business environment has been more predictable for any new entrant in these markets - be it Coke or State Bank of India. The decision making is more informed and thus the risks are calculated with planned countermeasures.

In contrast, untapped markets have certain commonalities between them - negligible or no documented history, geographical location – un-treaded logistics zone and little or no intelligence available in open sources. In addition, every country with a few million of population and an area very similar to an average Indian state promises a different set of business propositions. This makes devising market entry strategies tougher for these "untapped" markets. Further, scarcity of market information limits the usage of popular environmental scanning tools like PESTLE and CAGE on untapped markets. Building on this gap, this paper proposes a conceptual framework to assess business complexity for different firms and market types in emerging and untapped markets that shall assist in framing the right entry strategy into such markets. The framework accounts for the importance of availability or non-availability of information and intelligence on the relevance of different parameters as captured by common environment scanning tools on both small firms and large firms and also suggests ways of improving market intelligence for such untapped markets in order to facilitate correct decision making.

The paper begins with the introduction of the core theme and objective. It is then followed by the need for firms to assess business environment for the target markets, both untapped and emerging. Further, it elaborates on the propensity to internationalize by type of firm for the different types of markets. The paper also discusses a few frameworks adopted by firms in assessing business environment and identifies the gaps in terms of their applicability in decision making for emerging and untapped markets by firm type. Finally. the paper proposes a conceptual framework to assess business environment with relevance to emerging and untapped markets for different firm types. The scope of the paper is only on market entry in to foreign territories, thus excluding domestic markets where the firm is already operating.

Literature Review

Emerging economies have replaced developed economies like USA, Canada, and France as the attractive markets for the corporate investors (London & Hart, 2004) for quite some years now. In the last two decades, these economies have been receiving a huge flow of FDI and it has been a major source of external funding for investment in these countries (Weigel, Gregory, & Wagle, 1997). However, the tiger economies in Asia, the BRICS countries and some of the promising Eastern European nations have been experiencing a decline in GDP growth after the double-dip recession hit the global markets (Sarangi, Patro, & Kumar, 2014). On the other hand, some of the African countries in addition to the Latin American nations, that is, Chile, Peru, and Venezuela are promising a bright future and are being termed as the 'lion economies' as against the 'tiger economies' (Chironga, Leke, Wamlen, & Lund, 2011). Political turmoil in Algeria, Egypt, Angola, Mozambique, Libya, Morocco, and Tunisia has ended and rebuilding effort is in full swing. Latest United Nations report suggests higher return on investment in African economies vis-à-vis Asian countries due to less competition, fewer foreign companies, and pent-up consumer demand being strong. Statistics suggest that in 2008, the African spending was almost 35%

more than average Indian spending (Chironga et al., 2011).Thus, untapped markets (UM) have been in focus for all types of firms targeting growth through entry into new foreign markets as a part of their sustainable growth strategy (Sarangi et al., 2014) and global expansion strategy (Garten, 1998).

Whilst untapped markets offer vast opportunities with their ever growing purchasing power; running a viable business in these markets could be the most challenging (Karnani, 2007) due to political instability (Nelson, Tilley, & Walker, 1998), limited infrastructure support, and a customer base with lower levels of awareness and acceptance (Sarangi et al., 2014). Often, firms tend to ignore these challenges and overestimate the market attractiveness of these untapped markets. Firstly, most Multi-National Companies (MNCs) enter the emerging local markets with an "imperialist mindset" where they intend to sell existing products from developed markets to the already established elite markets there (Prahalad & Lieberthal, 1998). In doing so, they forget to tap the huge potential lying at the bottom of the pyramid (BOP) in these markets. With around four billion people, BOP is considered the largest and fastest growing segment of global population (London & Hart, 2004).

Ranjan (2010) states that most corporates in India, like Hindustan Lever, Colgate Palmolive, Britannia and even MNCs like Pepsi, Coca Cola, L.G., Philips, and Cavin Kare have gradually realized this fact and have turned their attention to the rural population. The second mistake that firms do is that they fail to understand the heterogeneity of these new markets, assuming them to be homogeneous in their lifestyle, attitudes, consumption patterns or purchasing power (Cui & Liu, 2000). This leads to wrong entry strategy, resulting in sluggish sales and sub-optimal performance (Rheem, 1996); eventually leading to the exit of the firm from that market (Cui & Liu, 2000). Further, firms must also pay attention to the higher transaction costs in these untapped and emerging markets which might adversely affect profit levels (Hoskisson, Eden, Lau, & Wright, 2000). These conditions lead researchers to believe that firms need to adopt differential strategies in the emerging or untapped markets, as against those adopted in the developed markets to be successful (London & Hart, 2004 ; Prahalad & Hammond, 2002). Researchers focusing on Resource Based Theory have also stated that firms must look at a profitable resource trade-off in order to remain competitive in emerging and untapped markets (Barney, 1991; Penrose, 2009). Sheth and Sisodia (2012) even proposed a new set of marketing mix for emerging markets - Acceptability, Affordability, Accessibility and Awareness (4 As).

Dadzie, Dadzie, and Winston (2012) have tested this model in an African market (Ghana) and have confirmed that the 4 A's marketing mix is more suitable for the market than the conventional 4 P's – Product, Price, Promotion and Place. In a recent study conducted in India, studying the small retailer's new product acceptance, retail margin was found to be the most important criteria among other factors, namely, sales potential of the product, promotional support, product availability with other competing channel members, to name a few (Shaikh & Gandhi, 2016). Similarly, studying the relationship between export market orientation (EMO), export performance and external business environment across manufacturing firms in Malaysia; it was found that the influence of EMO on export performance was very strong (Singh, Saufi, & Hassan, 2017) and that is possible when the firms' understanding of the external business environment is appropriate.

Hence, as firms start evaluating newer markets with a product or service offering, assessment of market attractiveness and defining a proper entry strategy become the key to success. In addition to internal assessment of the firm, understanding the business environment and the base line market conditions is a must Batra (1997), failing which firms achieve only limited success in penetrating local markets (Prahalad & Lieberthal, 1998). Firms must adapt their organization capabilities to suit the market conditions of a new market that they venture into since the intent of any entrepreneurial venture must be to cater to customer needs and demands and enhance customer value (Subhash & Vijayakumar, 2011; Tasavori, Ghauri, & Zaefarian, 2016).

A review of extant literature shows that firms must be careful with their entry strategies into the emerging and untapped markets and must not forget accounting for the unique challenges that these markets throw at them. There have been many examples of companies that have failed in their effort to expand into new markets because they have overestimated the market attractiveness without paying enough heed to the challenges that might face them (Ghemawat, 2001). For instance, in 1991, when Star TV planned its expansion in Asia, it was quite sure of a success there. However, few years down the line the founders realized their mistake and the expansion was a "high-profile disaster" (Ghemawat, 2001). Studying the pattern of conspicuous consumption of migrant workers in China it was found that band wagon effect to associate with the aspiration group was the key influencer in product-brand choice (Huang & Wang, 2017); something a MNE targeting China may not discover unless otherwise specifically evaluated.

In such situations, the importance of environment scanning to gather competitive intelligence cannot be undermined in planning the entry strategy to these markets (Tej Adidam, Banerjee, & Shukla, 2012). What is also important in decision making is the choice of the analytical tool that a firm is using to gather such intelligence. Many a times, the problem lies with the tool itself which underestimates the cost of venturing into a new market and overemphasizes the opportunities that the market offers (Ghemawat, 2001). Over the past few decades, PESTLE and CAGE have been the most widely used frameworks to analyze and scan the business environment. These frameworks have definitely benefitted firms in understanding the entry barriers and the likely countermeasures to be adopted. While these frameworks provide the firm with various decision parameters impacting business environment, there is a clear gap in terms of the type of firms they assist and the core aspect of 'available information and intelligence' on the markets that the firm is targeting. Are these frameworks equally helpful when there is a scarcity of documented information and intelligence ? This question poses utmost importance in the context of emerging and untapped markets. While these markets are experiencing revolutionary economic transformations, there is a paucity of valid and reliable data. This hinders the process of in-depth analysis that a firm needs to conduct before entering into any new market in order to take an informed go-no go decision (Batra, 1997).

In this paper, we propose a framework for environmental scanning that will be more suited to untapped markets that are characterized by limited documented information to devise an appropriate market entry strategy.

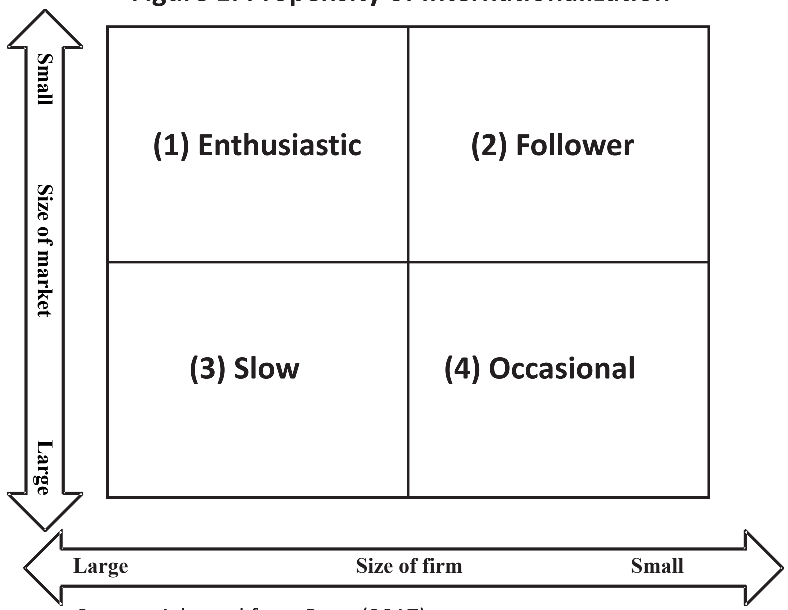
Propensity to Internationalize

A thorough environmental scanning is imperative for firms who need to successfully enter and subsequently sustain their growth in foreign markets. Research has also proved that competitive intelligence results in higher financial returns for firms (Adidam et al., 2012). Hence, firms need to consider various aspects starting from political stability to trade embargoes to civil wars and alliances in order to be fully prepared to survive in a new market. While it is imperative for every firm, irrespective of its size and global footprint, to study the business environment of the target market, the degree of dependence varies by firm and market size. Relevance of the environmental factors, namely, political, legal, economic, social, technological, and geographical varies depending on the firm type. Extant literature indicates that complexity in business environment is relatively a smaller barrier for entry to MNC's vis-à-vis smaller firms targeting foreign markets (Dawar & Chattopadhyay, 2000; Mahajan, Moraes, & Wind, 2000). Sorasalmi and Tuovinen (2016) stated that emerging markets could offer vast opportunities and at the same time pose huge challenges for small and medium sized enterprises.

In this section, propensity of internationalization of a firm is analyzed by studying the Target Market Size and Size of Firm thus, highlighting the magnitude of dependence on frameworks to study business environment by firm type (Peng, 2017). The matrix shown in Figure 1 classifies firms into four types depending on their size and size of the target market.

"Enthuasistic Internationalizers" in cell 1 are big firms like Pepsi or Nestle that target to enter into smaller emerging markets like Malaysia or Indonesia or smaller untapped markets like Peru or Ghana. They do not find it a big challenge to enter into smaller markets since they find it much easier to assess the market complexities, by sheer virtue of their size and maturity in terms of people, process, technology, funds, alliances, and global

Figure 1. Propensity of Internationalization



Source: Adapted from Peng (2017)

experience. This helps these large firms plan a robust entry strategy, thus, shooting up their success rate in these smaller markets. On the other hand, a large firm like Wal-Mart or Coca-Cola trying to target a large market like India is termed as *"Slow Internationalizer"* as indicated in cell 3. Large markets present many complexities in terms of heterogeneous customer base, varying purchasing power of customers, local legislations, topographical challenges for setting up the distribution system and even infrastructure related issues. These complexities slow down the market penetration of even large firms. Yet, these firms can still look at success in long term by using their size, -maturity and global experience. An example of failure is that of Wal-Mart's foray into Germany, where despite the size and strong global presence, they failed and had to exit. It follows quite clearly from this that smaller firms would rarely want to venture into larger markets given the complexities discussed above and hence, have been referred to as the *"Occasional Internationalizers*" in cell 4. Therefore, smaller firms find it convenient to target smaller markets or niche markets that are out of sight for larger firms, thus providing the smaller firms some competitive respite. Entering an untapped market could be a good way to avoid competition and gain profits (Burke, Stel, & Thurik, 2016).These firms are termed as the *"Follower Internationalizers"* as depicted in cell 2.

The inclination of small players is to identify niche markets as these are the territories which are out of sight for most large firms and hence reduced competitive intensity. Case of Bajaj Auto stands out with its presence in more than 50 countries, mostly in Africa and Latin America and being the market leader for motorcycles in UM like Colombia, Uganda, Nigeria, and Kenya. In the services sector, examples of family run IT companies launching basic versions of home grown ERP packages and other retail applications from early 1990's in Kenya, Tanzania, Ghana & Nigeria clearly explain this phenomenon. Similarly, there are innumerable examples of lesser known CPG firms from Europe having a significant presence in the African markets through exports routed via Dubai even before the planned entry of Unilevers and Nestle. Therefore UM are the chosen territories for small firms, while larger firms essentially target bigger emerging markets (EM) and at the same time keep an eye on the developing and untapped markets to make an entry at an opportune moment. But the challenge lies with smaller firms while making a go-no go decision or devising the entry strategy as the available frameworks are not as helpful in case of paucity of documented information that usually is the case in untapped markets. On the other hand, larger firms with their past experience, alliances and financial strength are much better placed.

In the following section, the paper discusses the various frameworks to assess business environment and its nuances with special focus on firm type and market type – UM or EM.

Scanning the Business Environment

PESTLE and CAGE have been the two most widely used frameworks for environmental scanning that firms need to do before deciding whether to venture into an untapped market.

(1) PESTLE Framework studies the macro environmental factors associated with a market that might have any bearing on a firm operating there. It studies the political, economic, social, technological, environmental, and legal aspects of a business market that helps firms design their entry strategy to these markets by understanding the strengths and limitations of the market. Under political aspect, the framework analyses information on the political climate and structure of the environment which might help a firm understand the level of bureaucracy, corruption or safety in that environment. It might also help the firm understand the existing tariff structure and tax policies in the market under study. Similarly, the other aspects study the technological growth in the market in addition to the environmental constraints and the social demographics impacting the buying and consumption behavior.

(2) CAGE : CAGE distance framework propounded by Ghemawat (2001) helps to analyze the impact of distance on four key aspects on various industries. The key factors considered are cultural, administrative, geographic, and economic. Cultural distance analyzes differences in language, ethnicities, religions, and social norms. Administrative distance focuses on colony-colonizer ties, shared monetary or political association, government policies, and political hostilities. Physical remoteness, common border, country size, transportation, and communication links and climatic differences form a part of the geographic distance factor. Economic distance studies the differences in consumer incomes between the countries; cost and quality of natural, financial, human, infrastructure, and knowledge resources.

Both PESTLE and CAGE frameworks analyze the different macro environmental factors that could influence a firm's entry strategy and its subsequent performance in a market. They also highlight different complexities that a firm might face in that environment, on the basis of study of chosen factors. However, they do not deep dive into these factors in order to provide a clear explanation or direction in that respect. When analyzed with more information, we might realize that some of the factors are not barriers for firms at all. This might mislead the firms to some extent in planning their entry strategy. The proposed framework in this paper might address some of the problems associated with the use of the traditional environmental scanning frameworks in untapped markets where the availability of documented information is scarce.

Assessing Business Environment : Information & Intelligence

The frameworks discussed above (CAGE and PESTLE) explain the various parameters that need to be studied by a firm while entering foreign markets. But the relevance of these parameters depends on three distinct factors. They are:

(i) Availability or unavailability of information and market intelligence on the target market.

(ii) Type of target market – Emerging (EM) vs. Untapped (UM).

(iii) Size of firm [3] - large vs. small.

[3] It also includes firm maturity.

Table 1. Impact Matrix by Firm Type & Market Type in Two Scenarios – with Documented Information (I) and Without Documented Information (WI)

	Large Firms				Small Firms			
Framework/ Parameter	EM (WI) 1	EM (I) 2	UM (WI) 3	UM (I) 4	EM (WI) 5	EM (I) 6	UM (WI) 7	UM (I) 8
CAGE								
Cultural	*	*	**	*	**	*	***	*
Administrative	**	*	***	**	***	*	****	***
Geographic	**	*	***	**	***	*	****	***
Economic	**	*	***	**	***	*	****	**
PESTEL								
Political	**	*	***	**	***	*	****	***
Economic	**	*	***	**	***	*	****	**
Social	*	*	**	*	**	*	***	*
Technological	**	*	***	**	***	*	****	***
Legal	**	*	***	**	***	*	****	***

The Table 1 depicts a qualitative analysis of the impact of CAGE and PESTEL framework on complexity in business environment for different firm size (small vs. large) and market type (EM vs. UM) in two scenarios – with access to information (I) and without access to information (WI). The number of stars reflects the degree of impact of the different parameters on firms trying to enter into a particular market.

It is interesting to note that with access to correct information, the impact of different parameters considered in PESTLE and CAGE are almost the same for both large and small firms targeting an emerging market like India or China. Hence, size does not play a huge role in effecting the correctness of entry strategy when proper information is available to the firms to aid in decision making. However, the impact of these parameters on firm's decision making is larger when proper information is not available. The problem is worse for smaller firms as compared to large firms that have better financial muscle, more experience in global business, and stronger business networks.

As compared to emerging markets, untapped markets like Mozambique or Ghana present a whole lot of new challenges for entrant firms. The challenges pertaining to infrastructural voids, distribution structure, local legislations, taxes, and collections on entry to specific towns and villages, availability of self-help groups to increase penetration, resistance to international brands and other such nuances still remain mysteries for untapped markets. Further, availability of proper documented information on these parameters is also a challenge in case of an untapped market. Hence, the impact of all the parameters used in CAGE or PESTLE framework is larger on firms when they try to enter an untapped market. The impact is much higher when information is not available with firms and reduces substantially on availability of information. It might so happen that a particular parameter like geographical distance or economic condition might look as an entry barrier when analyzed without access to proper documented information. On availability of proper information, we might realize that these parameters were actually not the barriers.

Further, the impact of the parameters might be more for small firms as compared to large firms because of the advantage of their size, organization maturity, robust business networks, better financial stability, and experience of doing global business. Large firms could also take the risk of adopting a 'play-as-it-comes' approach as they enter and start operating in a new market because of higher investing capability and technological back-up. They might also look at exiting the market, if things do not work out as per plan. However, a small firm might not be able to take these risks because a wrong entry might put its existence at stake and the exit cost might be too high for it. If fear of failure prevents them from venturing into these untapped markets, they lose out on a growth opportunity that might have been hugely beneficial to them in the long run.

Hence, small firms that try to scout untapped markets in order to avoid head-on competition with large MNCs and get the first mover advantage in those markets, might need to collate more information to identify the right entry barriers, take a go-no go decision and plan the correct entry strategy. For collating more information, they cannot depend solely on documented information available from traditional sources like government reports or analyst reports. They also need to look at information that can be collected from non-conventional sources that aid decision making. The access to information reduces the apprehensions that smaller firms carry and enable them to probe into such markets and be the first movers. For example, the success of Gujarati businesses in markets like Kenya, Nigeria, and Tanzania, to name a few has been driven by the channels of information and networks from the expatriate Guajarati diasporas in those parts of the world much before the entry of MNCs. The same phenomenon may also be extended to the flourishing Punjabi and Gujarati business houses in parts of USA, England, and Australia. While USA, England, and Australia are neither EM or UM, the example basically highlights the sources of unconventional undocumented information sources and networks that provide vital decision aids.

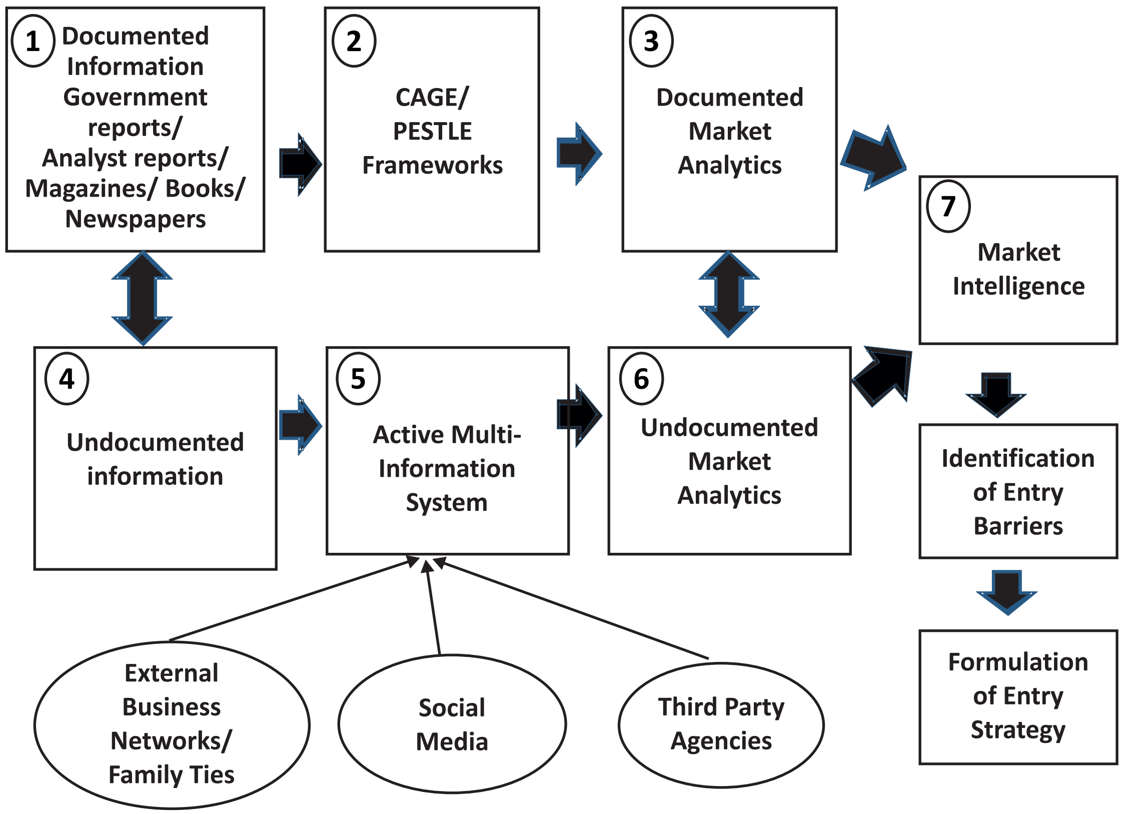
After having discussed the different environment scanning frameworks and the challenges faced by different firms while targeting UM and EM, the next section proposes a new framework that combines documented and undocumented information from both traditional and non-conventional sources to generate market intelligence.

Proposed Framework

Extant literature states that information that cannot be used for decision making or strategy formulation cannot be termed as intelligence (Calof & Skinner, 1998). As discussed in the previous section, firms (especially smaller firms) cannot solely depend on frameworks like PESTLE or CAGE using documented information to plan their entry to untapped markets. The scarcity of such information might lead the frameworks to throw up certain entry barriers that actually do not exist or underestimate or overestimate the impact of another parameter on planning the entry strategy. Hence, firms must look at gathering information even from non-traditional and unconventional sources like social media, word-of-mouth of business partners, family and business networks etc., to generate market intelligence about such markets. This intelligence may be used appropriately to plan the entry strategy in those markets. The paper builds on the already existing frameworks like PESTLE and CAGE to propose a new framework - Market Intelligence Information (MII) framework. The framework is presented in Figure 2.

The MII framework suggests firms to generate market intelligence using documented market analytics as well as undocumented market analytics. The framework has to suggested paths leading to step 7 – Market Intelligence. They are the steps 1-2-3 which is the traditional path and the steps 4-5-6 that forms the unconventional suggested route to market intelligence for UM and difficult EM. Documented market analytics (i.e. steps 1-2-3) is generated by applying the CAGE or PESTLE framework on documented information. Documented information refers to all information that is readily available to us and is collated at one place; usually obtained from traditional

Figure 2. Market Intelligence Information Framework (MII)



information sources like published government reports, analyst reports, books, articles in trade magazines, newspapers or authorized databases. On the other hand, undocumented market analytics (i.e. steps 4-5-6) is generated by collating loosely available information from multiple sources that are non-conventional.

For instance, information available on social media might help us understand the lifestyle or preferences of people of a certain geographical market in Sub Saharan Africa. However, this information might not be readily available, and collated at one place. Generating undocumented market analytics will need firms to filter relevant information from a huge data chunk. Similarly, firms might activate their business networks (external partners in their value chain) or even personal networks of employees and family ties to get word-of-mouth information from contacts already operating in the market they want to venture into. The example of Gujarati traders providing market information to another new trader from their region can act as a suitable example here. Further, firms might take help of third party consulting companies and market research agencies operating in those geographies to provide specific intelligence on local competition, channel dynamics, and environmental or legal issues at the local municipal limits. Although, this might involve financial cost for the firm, it might be better than losing out on a growth opportunity by not entering a profitable market or making a wrong move into a foreign market and then, subsequently losing out there. The framework is explained with the help of a case example below.

Case Examples

A first generation entrepreneur dealing with frozen food and meat, namely, peas, corn and chicken, with a modest annual turnover of about $ 10 million, serving the top five cities in Northern India with a regional presence decided to enter international markets. Competition in domestic market from established brands lead the company to target untapped markets for future growth. Given this backdrop, the company shortlisted a few markets in Africa (e.g. Kenya, Nigeria, and Ghana) and Latin America (e.g. Chile, Venezuela, and Peru). Environmental analysis of the markets using the CAGE or PESTEL framework gave the entrepreneur a list of factors which could be potential barriers for entry. To illustrate the same for the Kenyan market, the framework would suggest that politically stability is an issue in African nations in general. Kenya though has been a much stable country as against some of its neighbors; it is being ruled by coalition partners since 2008, but the element of risk always exists. Similarly, the geographical distance of separation would explain the location of the country on the eastern side of African sub Saharan region with port of Mombasa being the point of entry and international airports at Nairobi, Eldoret, and Mombasa. Prima facie these examples simply create more insecurity, negative perceptions and confusion in the mind of the entrepreneur, rather than assisting in the decision making process. The entrepreneur has every chance of getting intimidated on the basis of the documented information received and may call off the decision to expand.

As a contrast, the MII framework highlights on analyzing the business environment with more information (collected from non-conventional sources also) and market intelligence on Kenya and evaluate the factors, namely, political in the given example. Research using both documented information and undocumented information by the food company on the political scenario of the country provides insights on the following :

(i) The history of political parties and their formations,
(ii) Loyalties of the parties to the different ethnic groups i.e. Kikuyu, Luhya, Luo,
(iii) Loyalties to the expatriate population which accounts for the top 5 – 10% of the income class,
(iv) Key people in the cabinet and opposition parties to influence sanctions and approvals.

Thus, this dip stick analysis not only throws light on some of the key decision drivers for the entrepreneur for a go-no go decision, but also helps in deciding the overall entry strategy. Similar analysis may be done to understand the cultural factors in terms of taste and preferences for frozen food and hence, the attractiveness of the market and the information could flow from not only traditional documented sources, but also, from non-conventional undocumented sources like social media. Using the MII framework, the entrepreneur could also tap into the local Gujarati community operating in Kenya and seek information from them on channel structure, margin structures, local environmental, technological, and infrastructural challenges that the company might face in distribution that could be in contrast with the practices in India.

Similar to the first case example, a midsized firm from India evaluating an expansion to a neighboring market in Bangladesh into food business around 2004 [4], resorted mainly on entering into collaboration with a local consumer products group distribution company with a strong presence in the local market for access to undocumented information and practices on social, legal, and economic aspects to draw the market plan for launch. While the geographical and cultural proximity was good considering the target market of Bangladesh, the firm realized the importance of nuances of food business and the importance of multi information systems and undocumented market analytics for a high demand concentration market like Bangladesh.

In a reverse arrangement where a highly specialized engineering construction consulting company from Wales (United Kingdom) decided to make a foray into India around 2010 [5], in addition to the market reports collected from trade associations and local bodies in India i.e. Confederation of Indian Industry (CII), Federation of Indian Chambers of Commerce and Industry (FICCI), the firm invested on local consulting and advisory companies to

[4] and [5] Personal experience of the lead author.

provide specific information entry strategy. The research was based on group decision making process in construction and design engineering companies in India; state and central government departments i.e. roads and bridges, railways and public works department. The firm very well knew that to enter an emerging market like India and to work with government accounts, the group buying behavior needed to be studied in detail which was not sufficiently document in documented sources.

Thus, MII framework is an appropriate framework for midsized and small firms planning their expansion into untapped markets by helping them take the right decision with the help of enhanced market information, which the traditional sources of information might not be able to provide.

Managerial Implications

The paper has very useful for corporate strategy and international marketing teams from companies looking at expanding into emerging and untapped markets. Firstly, smaller and midsized firms limited in resource capabilities have a greater risk of failure when the entry strategy is not based on proper research and intelligence on target markets. In this context, while traditional frameworks like CAGE and PESTLE are robust, lack of intelligence many a times may lead to an improper go-no go decision for the firm. The suggested MII framework in this paper addresses this research gap and highlights the role of undocumented information forming a dynamic multi-information system within the firm based on networks with business partners, family and community associations, social media sites and blogs, and specialist third party consulting, and market research agencies. Secondly, the application of the framework may also be extended to expanding into new territories within a geographic market and not just limited to international markets by focusing on information related to channels of distribution, modes of service, frequency of service, and channel margins across multi-channel structure, to name a few. Thirdly and most importantly, the MII framework through its suggested approach brings reduced risk in decision making and hence, is an aid to funding agencies – both from within the firm and the angel investors.

Limitations of the Study and Scope for Further Research

The paper contributes to the body of literature by proposing a framework suggesting that firms need to bolster information from documented sources i.e. published reports, trade journals, and analyst research papers with undocumented and unpublished information sources leading to suggestive and informed market intelligence to make a go-no go decision, and subsequent entry strategy. The suggested framework not only addresses a gap in extant literature on business environment studies, but also provides a toolkit for the managers while devising entry strategy, especially into untapped markets. However, one of the limitations of the study is that the proposed framework is at a conceptual stage. Validation of the framework through case based approach or an appropriate empirical method shall be an area of focus for future researchers. Secondly, it may also be worthwhile to consider criteria to be evaluated by firms to enter untapped and emerging markets through e-market places vis-à-vis physical presence. This shall make the framework more comprehensive and generic for application in managerial decision making process.

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