

CHAPTER 8

GIANTS FROM EMERGING MARKETS: THE INTERNATIONALIZATION OF BRIC MULTINATIONALS

Liliana Rodriguez-Arango and
Maria Alejandra Gonzalez-Perez

ABSTRACT

Purpose – This chapter aims to provide a descriptive analysis and a theoretical interpretation of the challenges for international expansion of four large multinationals of each of the BRIC countries (JBS from Brazil, VimpelCom from Russia, Tata Motors from India, and Lenovo from China).

Methodology/approach – This study employs a qualitative approach, following a multiple-case study methodology, by analyzing four prominent cases of the internationalization of BRIC multinationals.

Findings – The internationalization process of the studied BRIC multinationals was influenced by the type of inputs and resources that each company had in their home country and the search for needed resources in other firms abroad that may have helped them to complement their

The Challenge of BRIC Multinationals

Progress in International Business Research, Volume 11, 195–226

Copyright © 2017 by Emerald Group Publishing Limited

All rights of reproduction in any form reserved

ISSN: 1745-8862/doi:10.1108/S1745-886220160000011011

business assets. The international expansion of these firms have been characterized by overcoming of several obstacles through the possession of firm-specific advantages, mainly composed of managerial capabilities, expertise, and knowledge about the markets and their companies.

Keywords: BRIC multinationals; BRIC countries; Emerging Markets Multinational Enterprises (EMMNEs)

INTRODUCTION

The importance and scope of BRIC countries and their economies for the world cannot be underestimated. By 2015, Brazil, Russia, India, and China, represented 41.3% of the total global population (Euromonitor, 2015). In the same year, the group experienced a GDP growth of 0.5% in real terms in 2015, the BRIC's total expenditure is estimated to account for 15.8% of total global consumer expenditure, and it is expected in real terms that this figure will rise to 19.7% of total global expenditure by 2020 (Euromonitor, 2013).

In addition, the group came together to create the New Development Bank (known as the BRICS Development Bank), which arose out of a series of summits and is set to be the first of many common institutions of the group (Euromonitor, 2013). Besides, BRIC countries have also gained relative importance in the medium-high and high-tech industry segments, and they have become more important in the global economy by growing their export production worldwide, becoming increasingly important for the advanced countries (World Economic Forum, 2016).

Furthermore, BRIC economies are each considered emerging markets, this means that this countries are “in the process of rapid growth and development with lower per capita incomes and less mature capital markets than developed countries. It also includes the PIIGS (Portugal, Ireland, Italy, Greece, Spain – also known by the more politically correct moniker GIPSI)” (Nasdaq, 2012). A developing or frontier market is a “subset of the emerging market category. In other words, frontier markets are emerging markets, but not all emerging markets are frontier markets” (Nasdaq, 2012). More specifically, a frontier or a developing market is one with poor market liquidity, slightly developed capital markets, and depressed per capita incomes, however still with some development and growth potential.

The present chapter provides conceptual evidence and support for understanding the internationalization process of multinational enterprises (MNEs) from BRIC countries using the lenses of different theories of firm internationalization. For this, a multiple-case study methodology was chosen to analyze the international expansion by BRIC MNEs. In particular, this research, addresses the question to what extent existing firm internationalization theories are adequate in explaining the phenomenon of internationalization of BRIC multinationals, and discusses their challenges. Thus, the study will contribute to provide a major understanding of their expansionist process, plus providing theoretical evidence on this topic.

This research question is relevant since MNEs from BRIC economies gained importance in the global arena in the last decade and there are still some gaps to fill concerning their challenges when internationalizing. This is because even though MNEs from BRIC countries behave similarly to MNEs from developed and industrialized economies, it was found that their internationalization differs as well as their challenges.

To analyze the different international expansion modes by BRIC multinationals, the chapter is structured as follows. First, this study discusses the core theoretical approaches and models in the literature of internationalization of emerging market multinational enterprises (EMMNEs) and BRIC multinationals. Then, to explain further the international expansion of BRIC multinationals, it inspects in the findings section four prominent cases of EMMNEs from each of the BRIC countries: JBS from Brazil, VimpelCom from Russia, Tata Motors from India, and Lenovo from China. In particular, this section focuses on how each of the BRIC multinational has internationalized. Then, in the following section, the methodological approach considered by the study to construct the chapter is analyzed. Next, the final results are presented in the conclusion section, which describes how firm internationalization theories provides light to the understanding of the international expansion of BRIC multinationals and explores if current theories are sufficient for interpreting the internationalization of these emerging markets firms.

LITERATURE REVIEW

With the purpose of determining which theories of firm internationalization can better explain the internationalization of EMMNEs (emerging market

multinational enterprises) and, particularly, the internationalization of BRIC multinationals, the present chapter provides an overview of both internationalization models and approaches used by EMMNEs and BRIC MNEs. Among the theories to understand the internationalization of MNEs from emerging and developing countries, the following ones were chosen: Marketing Model, Reinvention of the Transnational Model, Institutional-based view exemplified by the Institutional Theory approach, Resource-based view exemplified by the Linkage Leverage and Learning (LLL) approach, OLI paradigm and Springboard Perspective. Additionally to cover the BRIC MNEs' internationalization, this research paper analyzes Indian MNEs' internationalization from the perspective of linkage, leverage, and learning (LLL) and Business Group Embeddedness; Chinese MNEs' internationalization from the Resource-Based View (inward and outward activities); Brazilian MNEs' internationalization from the Uppsala Model and finally, Russian MNEs' internationalization from the Springboard Perspective (strategic-asset seeking and efficiency seeking) approaches.

The aforementioned approaches only gained importance in the last few decades, after major growth opportunities were identified for MNEs in countries such as India, China, Indonesia, Russia, and Brazil (Arnold & Quelch, 1998). These MNEs have started to explore the largest growing opportunities at the base of the pyramid, defined as the lower income segments of the population (Hart & Milstein, 1999; Prahalad & Hart, 2002). Scholars identified this global growth trend (Cuervo-Cazurra, 2007b; Geng Cui, Chan, & Peng, 2014; London & Hart, 2004), which led them to discover the need for the creation of different EMMNEs internationalization models. Prior to this, there were no explicit internationalization theories that further explained MNEs internationalization from emerging economies. This was because most of the firm internationalization theories focused only on MNEs from highly industrialized and developed economies, such as the United States and Europe. This lack of understanding of EMMNEs internationalization led scholars to reinvent the firm internationalization theories, adapting them to EMMNEs (Arnold & Quelch, 1998).

In relation to internationalization models and approaches used by EMMNEs, Arnold and Quelch (1998) proposed the Marketing Model that can be adapted to EMMNEs. This model is composed of "four key areas where MNEs will have to change their traditional strategic marketing assumptions when approaching emerging markets" (Arnold & Quelch, 1998, p. 539). The first one is timing of entry, which implies that several benefits could be based on the first participants in product-markets, including brand positioning, economic advantages from early sales volumes, and

distribution and communication channels. Second, emerging markets must be demand-driven, focused on the long term rather than risk-oriented. Third, product policy, which consists of fast development of products and product life-cycle knowledge and lastly, partner policy, focused on the need to have multiple marketing partners and more than a single distributor (idem). As a result, this Marketing Model argues that EMMNEs must be able to adapt their marketing models in order to embrace the differences in other new emerging markets, and through this process, learn how to overcome the main marketing difficulties (idem).

Following the same path, and considering the need of EMMNEs to have a worldwide learning model and a global efficiency approach, London and Hart (2004) reinvented The Transnational Model, rethinking its strategy and including national responsiveness on a global business scale. In this one, EMMNEs must be willing to participate in all the lower, medium, and high-income segments. Furthermore “Although an increasing number of firms are exploring the economic opportunities at the age of the pyramid, there is little in the area of international business theory research, that provides clear guidance on how to pursue these emerging markets” (London & Hart, 2004, p. 355).

However, one of the limitations of this model relies on the importance of strategic alliances in the expansion process, between EEMMEs and non-profit organizations and community groups. This might represent a challenge for EMMNEs, due to the difficulties that may occur when trying to align their model (infrastructure, culture, and policies) with the overseas firm (London & Hart, 2004).

Finally, according to London & Hart (2004) EMMNEs should not implement the same strategies when targeting other emerging economies, but to rather design specific strategies for each of the economic segments, low-income class, middle-income class, and higher income class. Thus EMMNEs must be prepared and have the managerial skills to adapt, but also their strategy must be based on knowledge extraction and the protection of resource flows (London & Hart, 2004).

EMMNEs international expansion, traditionally have been also analyzed from two different perspectives, Institutional-Based View (IBV) (Porter, 1980) and Resource-Based View (RBV) (Barney, 1991). Concerning the IBV, firm internationalization depends on the type of conditions within an industry and these determine the firms’ strategy and performance. Cantwell, Dunning, and Lundan (2010) introduced three types of institutional engagements into this theory. First, Institutional Avoidance is when EMMNEs are likely to look for an “exit” rather than a “voice” strategy. This is due to

the institutional environment being exogenous to the firms and characterized by the lack of political stability, regulation, and law enforcement (Cantwell et al., 2010). Second, Institutional Adaptation, where MNEs adapt their policies aligned to the external environment, and as a result of this adaptation, firms gain strategic options in the market. Third, Institutional Co-evolution is not only when MNEs want to adjust their policies but also to change local institutions by promoting entrepreneurship and co-evolution. This last type of institutional engagement would be the optimal scenario for EMMNEs for finding the perfect balance between adaptation and co-evolution. This Institutional-based view framework, contributed to the comprehension of the political, legal, and societal aspects of institutions, specifically in countries such as India and China (Porter, 1980).

On the other hand, the RBV, exemplified by Barney's perspective (1991), suggested that firm-specific differences drive its strategy and performance (Cantwell et al., 2010). Linkage leverage and learning (LLL) approach is part of this resource-based view, and focuses on resource-control, knowledge acquisition, and leveraging economies of scale and scope (Barlet & Ghoshal, 1989). This way, EMMNEs can be entirely concentrated on strategic assets seeking to overcome the liability of foreignness when dealing with the base of the pyramid. To support this theory, other interesting approaches in global segmentation were developed. Two of these approaches, clusters and global segments, are both examples of leveraging knowledge and skills with certain groups at the top-of-the pyramid, even transcending the national and cultural boundaries (Hassan & Katsanis, 1994; Moskowitz & Rabino, 1994; Oyewole, 1998).

The Ownership Location Internalization (OLI) paradigm, also known as the eclectic paradigm (Dunning & Lundan, 2008a, 2008b), complements and provides a wider understanding of the Resource-based view in the case of EMMNEs. The OLI paradigm introduces three core elements that every MNE must possess in order to be competitive and successful in its expansion process. Ownership advantages may affect institutions when formulating corporate objectives, influencing the capacity to motivate individuals and teams inside the institution. These ownership advantages are interrelated with the desired of internalization of the firm, and the firm's choice of value-creating locations. In this way, EMMNEs may increase their ownership advantages by responding to location-specific features in each of the countries they expand. Ownership advantages might be strategic assets, knowledge or any competitive advantage that the firm might possess. This means that the degree of internalization of these ownership advantages will

be directly related to and dependent on the efficient transfer of the ownership advantages across the borders (Dunning & Lundan, 2008a, 2008b).

Regarding the Springboard Perspective (Luo & Tung, 2007), EMMNEs use outward investments “as a springboard to acquire strategic assets needed to compete more effectively against global rivals and to avoid the institutional and market constraints they face at home. Their ‘springboard’ behaviors are often characterized by overcoming their latecomer disadvantage in the global stage via a series of aggressive, risk-taking measures by proactively acquiring or buying critical assets from mature MNEs to compensate for their competitive weaknesses” (Luo & Tung, 2007, p. 482). EMMNEs usually use this strategy as a long-term strategy in order to overcome their latecomer disadvantages, bypass trade barriers, and alleviate national institutional pressure to secure preferential treatment offered by emerging market governments. Thus, EMMNEs will ensure their international expansion as a springboard to exploit their competitive advantages in other emerging or developed markets by ensuring their brand positioning (Luo & Tung, 2007).

The Ambidexterity Perspective by Winterhalter, Zeschky, and Gassmann (2015) states that MNEs can integrate or separate their business models in/from the current existing national models. Consequently, EMMNEs will need to adapt their products to the new overseas patterns of consumption, adjusting their standards to a higher or lower income markets. In the same way, MNEs from developed markets that used to create innovative products for high-income segments will need to adjust their standards to lower income class (Winterhalter et al., 2015). Moreover, EMMNEs need to be able to manage dual business models, a new one for the developed market and at the same time keep up with their traditional business model in the emerging one.

Some specific internationalization models have been analyzed to further explain MNEs internationalization from BRIC economies. Regarding the internationalization of Indian enterprises, Matthews (2006) has provided strong evidence about the primary motives of Indian MNEs’ internationalization from the perspective of Linkage, Leverage and Learning (LLL). In the specific case of the Indian MNE Tata Motors, the firm focused on purchasing strategic assets, leveraging its learning through this acquisition process. This allowed Tata Motors to overcome its hurdles of liability of foreignness (Hymer, 1976) and liability of country of origin, by successfully turning them into competitive advantages (Thite, Wilkinson, Budhwar, & Mathews, 2015). Tata Motors’ product profile has traditionally suited the bottom of the pyramid in emerging markets and additionally the company

is currently adapting its portfolio to the new world class products, such as pick-up trucks and prestige cars (Thite et al., 2015). Tata Motors strategy was focused on the acquisition of leverage firms abroad, which were all located in strategic locations and had worldwide brand recognition.

On the other hand, Becker-Ritterspach and Bruche (2012) proposed the creation of Business Group Embeddedness, based on the proper handling of internal and external resources to create capabilities in the development of internationally exploitable assets and to internationalize. Furthermore, the related benefit was in the “improved ability to cope with the increased risk of fast capability creation and internationalization moves in a domestic and international market environment where competition is fully developed” (Becker-Ritterspach & Bruche, 2012, p. 241). This approach was also explained through the specific case of Tata Motors and how this Indian firm handled its internal resources (expertise, human capital, and relationship with sister-companies) to be able to internationalize. Based on group embeddedness, Tata Motors was able to attract external resources (domestic and international), to exploit the reputational and social capital of the group and bring national and international talent as well as partners to the development of new products. This way, this Indian multinational was successful in reducing the risks in its internationalization process, especially with the Nano project and the economic crisis that coincided with the Jaguar brand acquisition (Becker-Ritterspach & Bruche, 2012).

Regarding the internationalization of Chinese multinationals, Geng Cui et al. (2014) observed the patterns of internationalization among Chinese multinationals, analyzing four case studies of Chinese firms: Haier, TCL, Lenovo, and Founder. In the specific case of Lenovo, the study focused on the Resource-based view, which helped to explain Lenovo’s engagement in inward activities, to acquire strategic resources leading the company to outward activities and, finally, to internationalization. Lenovo followed a linear path of internationalization, starting with inward activities before it began its international expansion. This way, the company sped up its internationalization by acquiring resources and knowledge to accelerate the pace of outward activities overseas (Geng Cui et al., 2014).

Considering the internationalization of Brazilian MNEs, the Uppsala Model by Johanson and Vahlne (1977) has marked their strategy. In the specific case of the Brazilian MNE JBS, its internationalization process was characterized as being a step-by-step process, gradually expanding its activities. First, in Brazil it acquired 21 plants then, in Argentina it purchased five more, quintupling its production capacity, and finally, it set up sales-subsidiaries abroad with plant production facilities. According to Pereira Peláez (2012)

“JBS main strategy was to benefit from location advantages and lower costs in other locations” (Pereira Peláez, 2012, p. 23). Moreover, because of JBS “innovative and expansionist vision, it has known just what to do at every stage of their product, whether it is innovating, opening more production facilities abroad, expanding its product line, etc. JBS has played its cards very well and that’s why it is what it is today” (Pereira Peláez, 2012, p. 26).

Regarding the internationalization of Russian multinationals, Russia is considered one of the leading emerging markets in terms of outward foreign direct investments (FDI). “Such a position is supported not by several multinational giants but by dozens of Russian MNEs in various industries” (Imemo & Vale Columbia Center on Sustainable International Investment, 2013, p. 1). After the financial crisis most Russian MNEs have overcome the negative impacts that this generated. “Among the emerging markets, only China has a comparable scale of outward FDI stocks. Nevertheless, there have been no Russian MNEs in the list of the world’s top 100 non-financial MNEs, although Chinese, Brazilian and Mexican multinationals can be found in that list” (UNCTAD, 2012; Imemo & Vale Columbia Center on Sustainable International Investment, 2013, p. 8). In the specific case of Vimpelcom, this Russian MNE was also affected by the economic crisis and as a result, its headquarters were transferred from Moscow (Russia) to Amsterdam (the Netherlands) plus declining in the ranking of the largest MNEs worldwide (Imemo & Vale Columbia Center on Sustainable International Investment, 2013).

Nowadays, Russian MNEs internationalize mostly by way of mergers and acquisitions, and their first internationalization motivation is strategic-asset seeking and efficiency seeking. On the other hand, other scholars suggest that MNEs from emerging economies tend to choose leapfrog or Springboard Perspective as their expansionist strategy (Luo & Tung, 2007), mainly encouraged by the market opportunities and the selection of non-equity entry modes. Finally, other studies proved that Russian MNEs select their foreign direct investments by “the cultural, geographic, and political distance between Russia and the target foreign markets” (Kumar & Pattnaik, 2014, p. 127), especially MNEs such as Vimpelcom that makes part of the telecommunication industry.

METHODOLOGY

This study employs a qualitative approach, following a multiple-case study methodology, by analyzing four prominent cases of the internationalization

of BRIC multinationals. This qualitative method is a suitable methodology for the analysis and comparison of internationalization process of the selected MNEs from emerging economies (Eisenhardt, 1989).

The decision to study MNEs from BRIC countries was based on the acknowledgment of the lack of comparative studies that could explain the international expansion of EMMNEs, specifically the internationalization of BRIC multinationals. Another reason for their study was that MNEs from BRIC countries have particular motives for internationalization, following specific paths due to the challenges they face. Most of them are mainly characterized to be market or developing seekers (Devinney, Pedersen, & Tihanyi, 2010), looking for the acquisition of ownership-specific advantages, such as natural resources, technological assets, capital, knowledge, or raw materials (Dunning, 1988). For the above reasons, this inquiry required further study through the collection of qualitative data and the use of multiple firm internationalization theories. This was done in order to enhance the thoroughness of the study and complement it with different perspectives, enriching this research with data and diverse insights. Thus, various points of view enhance the confidence in the findings section by enriching this study of BRIC MNEs' internationalization, helping to analyze it from different perspectives (Eisenhardt, 1989).

This multiple-case study methodology allows collecting and gathering all data and evidence needed to build and test theories (Glaser & Strauss, 1967; Strauss, 1987). Furthermore, the process of building theory from a multiple-case study research permits the creation of different propositions and the use of theoretical approaches and empirical evidence to provide a major understanding of the topic and finally to reshape it with new perceptions and theoretical visions from different scholars applied to the cases (Eisenhardt, 1989).

Specifically, this study focuses on a multiple-case analysis of internationalization of BRIC multinationals, rather than focuses on a single-case study. This is due to the fact that the analysis of multiple-case studies offers wider theoretical perspectives, constructing robust evidence from different authors and studies (Yin, 1984). This way, the selection of four case studies permits a faster theory building and allows for a thorough analysis of data, avoiding an overwhelming amount of information (Eisenhardt, 1989).

The selection of the case studies was based on a theoretical sampling from four MNEs in different sectors in each of the different BRIC countries to prove that MNEs from BRIC economies internationalize in the same manner as MNEs from developing ones. In addition, the selection

process was focused on companies that used mergers & acquisitions (M&As) as their main entry-mode strategy.

Although the internationalization process of BRIC multinationals has been analyzed by several authors (Becker-Ritterspach & Bruche, 2012; Cuervo-Cazurra, 2011; Geng Cui et al., 2014; Kumar & Pattnaik, 2014; Lund-Thomsen & Wad, 2014; Luo & Tung, 2007; Matthews, 2006; Pereira Peláez, 2012; Thite et al., 2015); the present chapter aims to contribute to the current literature on the challenges for the internationalization of BRIC multinationals by approaching the topic from a different perspective. This chapter not only analyzes the various firm internationalization theories implemented by EMMNEs, but also studies MNEs internationalization from BRIC countries by providing empirical evidence and data collection from different authors' perspectives to be able to construct diverse theoretical approaches to better analyze the four prominent BRIC cases and their respective internationalization processes.

Concerning the data collection method, this study examines the internationalization of the selected MNEs from BRIC countries through secondary data in view of the different firm internationalization theories. Data was collected from specialized databases in the sector, such as Euromonitor, academic papers, academic databases, specialized media, and companies' reports.

Finally, after having collected all the qualitative data on each of the reviewed MNEs from BRIC countries, this research studied each case individually, in order to explore their international expansion, comparing all their models, approaches, patterns, and entry modes followed.

This comparison method was recommended by Glaser and Strauss (1967) and, more recently, Strauss (1987). "These authors have detailed their comparative method for developing grounded theory. The method relies on continuous comparison of data and theory beginning with data collection. It emphasizes both the emergence of theoretical categories solely from evidence and an incremental approach to case selection and data gathering" (Eisenhardt, 1989, p. 534).

This data analysis included additional data sources such as annual company reports to complement the investigation of the selected cases, allowing the study to confirm the accuracy of observational evidence from other sources. This improves the familiarity with each case and their main patterns and permits the analysis of them as separate units in order to allow for a cross-case comparison. In this way, "researchers take advantage of the uniqueness of a specific case and the emergence of new themes to improve resultant theory" (Eisenhardt, 1989, p. 539).

FINDINGS

This section provides a case-by-case analysis regarding the internationalization process carried out by each of the four BRIC firms selected in this study. Moreover, it provides an individual introduction and theoretical interpretation for each one of them.

Tata Motors

Tata Motors Limited is part of the US\$100 billion Tata group founded by Jamsetji Tata in 1868 (Tata Motors, 2016). The group is composed of Tata Steel, Tata Motors, Tata Consultancy Services, Tata Communications, Taj Hotels, Tata Chemicals, Tata Power, Tata Global Beverages, and Tata Teleservices (Salam, 2013). Tata Motors was established in India in 1945, and now has 60,000 employees and total revenues of US\$42 billion. Currently the company sells vehicles in more than 50 countries across the world and it is the largest manufacturer in the Indian automotive industry and the leader in commercial and passenger vehicles (Tata Motors, 2016).

Tata Motors has used brownfield Outward Foreign Direct Investment (acquisition or leasing of existing production facilities to launch a new production activity) for strategic asset-seeking and for technology-related motives, and, in order to expand its market access on a global scale. Tata Motors focused on improving its products, services, technological skills, and operational synergy. The company became a multinational corporation (MNC) in 1961 when it started its expansion plan, exporting to Diesel & Motor Engineering PLC in Sri Lanka (Salam, 2013). Then, in 1989, the company decided to take bigger steps and expanded geographically in Asia, by opening new production plants in Malaysia and Singapore (Álvarez Medina, Carrillo, & González Marín, 2014).

As part of its internationalization strategy, Tata Motors decided to focus on diversification and launched an extensive innovative portfolio to its consumers. Today it has R&D and design centers in Pune (India), South Korea, Italy, and the United Kingdom (Tata Motors, 2016). The company started with new developments in 1986, when it launched the first indigenously made Light Commercial Vehicle. In 2005, Tata Motors created the first indigenously developed mini-truck, creating a new segment by launching the Tata Ace. In 2009, Tata Motors launched the Prima trucks line and in 2012 the Ultra line of light vehicles (Tata Motors, 2016). These two models became recognized for their performance and lower life-cycle cost.

This diversification has allowed the company to create value-added products and expand internationally at a very fast pace (Álvarez Medina et al., 2014, p. 68).

After entering the car manufacturing business in 1989, Tata Motors expanded through joint ventures and partnerships in 26 countries. But it was in 2004 when it made its first foreign direct investment acquiring the South Korean company Daewoo Commercial Vehicle. Afterwards, in 2008, it acquired the British company Jaguar Land Rover (JLR) and finally, in 2009, it acquired the Spanish company Hispano Carroceria S.A (Salam, 2013).

The purchase of Jaguar Land Rover Automotive Plc. from the Ford Motor Co. was its most significant acquisition for US\$2.8 billion and at the time of purchase. With the JLR acquisition, there was noticeable improvement in the production process, making it more cost efficient and at the same time obtaining leverage through Jaguar's brand image (Matthews, 2006).

Joint ventures were also part of its strategy. In 2004, Tata Motors established some franchisee/joint venture assemblies in Kenya, Bangladesh, Ukraine, Russia, and Senegal. Then, in 2008 Tata Motors and the Brazilian bus maker Marcopolo S.A founded Tata Marcopolo, with 51% and 49% stakes respectively, giving Tata Motors access to the Brazilian marketplace (Salam, 2013, p. 6).

Despite its growth and diversification, Tata Motors lost market share to its main competitors Maruti Suzuki and Hyundai. A study published by Álvarez Medina et al. (2014) stated "Tata Motors kept its share in 2010–2011 in a fast-growing market, but in this year was overtaken by Hyundai" (p. 68). In 2013 its share declined to 11.7%, ranking it fourth after Maruti Suzuki, Hyundai, and Mahindra & Mahindra (Álvarez Medina et al., 2014).

Tata Motors has shown remarkable strength in designing and building new vehicles. Indian firms were more likely to invest abroad in developed than in developing nations when they had strategic asset-seeking motivations and prior experience gaining technological know-how from firms based in developed countries through licensing or OEM contracts. Tata Motors followed the same pattern by establishing partnerships and joint ventures in developed countries, in order to improve its technological expertise and to grow globally (Makino, Lau, & Yeh, 2002). According to Robbins and Harrison (2008) Tata Motors has over half of its operation outside India, which proves that the company has undertaken a successful internationalization strategy and it is currently operating in all the six continents (Tata Motors, 2016) (Table 1).

Table 1. Tata Motors' Main Internationalization Moves.

Tata Motors' Internationalization Process				
Year	Entry Mode	Country of Origin	Countries of Operation	Company
1961	Exports	Sri Lanka	Sri Lanka	Diesel & Motor Engineering PLC
1970	Greenfield investment	Singapore	Singapore	Tata Motors production Plant
1970	Greenfield investment	Malaysia	Malaysia	Tata Motors production Plant
1982	Strategic alliance	Bhutan	Bhutan	State trading corporation of Bhutan
1982	Strategic alliance	Nepal	Nepal	Sipradi Trading
1988	Partnership	Bangladesh	Bangladesh	Niton Motors
1989	Acquisition	United Kingdom	Romania, United States, Italy, Canada, Mexico, Asia Pacific, Thailand	Tata Technologies Ltd. (TTL)
1992	Greenfield investment	Algeria	Algeria	Commercial subsidiary
1992	Greenfield investment	Bongo	Bongo	Commercial subsidiary
1992	Greenfield investment	Congo	Congo	Commercial subsidiary
1992	Greenfield investment	Angola	Angola	Commercial subsidiary
1992	Greenfield investment	Kenya	Kenya	Commercial subsidiary
1992	Greenfield investment	Morocco	Morocco	Commercial subsidiary
1992	Greenfield investment	Mozambique	Mozambique	Commercial subsidiary
1992	Greenfield investment	Nigeria	Nigeria	Commercial subsidiary
1992	Greenfield investment	Seychelles	Seychelles	Commercial subsidiary
1992	Greenfield investment	Sudan	Sudan	Commercial subsidiary
1992	Greenfield investment	Tanzania	Tanzania	Commercial subsidiary

1992	Greenfield investment	Tunisia	Tunisia	Commercial subsidiary
1992	Greenfield investment	Uganda	Uganda	Commercial subsidiary
1992	Greenfield investment	Zambia	Zambia	Commercial subsidiary
1992	Greenfield investment	Zimbabwe	Zimbabwe	Commercial subsidiary
1997	Partnership	Turkey	Turkey	Itsolar Group
2004	Greenfield investment	Russia	Russia	Tata Motors production Plant
2004	Franchise and joint venture	Bangladesh	Bangladesh	Tata Motors production Plant
2004	Franchise and joint venture	Ukraine	Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan	Tata Motors production Plant
2004	Franchise and joint venture	Senegal	Senegal	Tata Motors production Plant
2004	Greenfield investment	Ukraine	Ukraine	Tata Motors production Plant
2004	Greenfield investment	Kenya	Kenya	Tata Motors production Plant
2004	Wholly owned subsidiary	South Korea	South Korea	Daewoo Commercial Vehicle Co
2006	Acquisition	Thailand	Thailand	Thonburi Automotive Assembly Plant
2006	Joint venture	Brazil	Brazil	Marcopolo
2008	Acquisition	The United Kingdom	Argentina, Brazil, Chile, Colombia, Ecuador, Guayana, Paraguay, Peru, Surinam, and Uruguay	Jaguar Land Rover (JLR)

Table 1. (Continued)

Tata Motors' Internationalization Process				
Year	Entry Mode	Country of Origin	Countries of Operation	Company
2009	Greenfield investment	Bolivia	Bolivia	Commercial subsidiary
2009	Greenfield investment	Chile	Chile	Commercial subsidiary
2009	Greenfield investment	Ecuador	Ecuador	Commercial subsidiary
2009	Greenfield investment	Uruguay	Uruguay	Commercial subsidiary
2009	Acquisition	Spain	The United Kingdom, Ireland, Portugal, Italy, Rumania, Cyprus, Greece, Malta, Morocco, and Spain	Tata Hispano (Hispano Carrocera)
2009	Greenfield investment	Poland	Poland	Commercial office
2010	Strategic alliance	Afghanistan	Afghanistan	RMA
2010	Greenfield investment	Australia	Australia	Commercial subsidiary
2010	Strategic alliance	Vietnam	Vietnam	TMT Motor
2010	Greenfield investment	Indonesia	Indonesia	Commercial subsidiary
2011	Greenfield investment	Roslyn South Africa	South Africa	Tata Motors, Production Plant
2011	Greenfield investment	South Africa	South Africa	Tata Motors South Africa, Production Plant
2002	Partnership	United Arab Emirates	United Arab Emirates	Dalma Motors
2012	Partnership	Iraq	Iraq	Sardar Group
2013	Partnership	Myanmar	Myanmar	Apex greatest industrial CO
2014	Export	Philippines	Philippines	Pilipinas Taj Autogroup

Source: Authors' based on Tata Motors web page and related Tata Motors reports.

Lenovo

Lenovo is China's leading PC company manufacturer, founded in 1984. Currently the company has over 58,000 employees, participation in 160 countries worldwide and total revenue of US\$42 billion (Lenovo, 2016). Lenovo is mainly recognized for being a manufacturer of laptops, desktop computers, mobile Internet devices, tablets, workstations, servers, and electronic storage devices. Its business is built on product innovation, a highly efficient global supply chain and strong strategic execution (Lenovo, 2016).

The above qualities have ensured Lenovo its successful expansion into the overseas market, leading Lenovo to its most important acquisition in 2004, when it purchased IBM's personal computer division for US\$1.25 billion (Lenovo, 2016). In the agreement, Lenovo received IBM's entire global desktop and laptop computer research, development and manufacturing business. Lenovo paid IBM US\$650 million in cash and granted it US\$600 million worth of Lenovo stocks, which made IBM an owner of around 18.5% of Lenovo's equity stake (Sina, 2004). This acquisition created value for both companies (IBM & Lenovo) by building up two global brands with common qualities, brand reputation and innovation. Moreover, the acquisition allowed Lenovo to absorb new technological and managerial skills, a global brand, an international and diversified customer base, a high quality international distribution network, and increased product lines. Finally when the acquisition was completed, Lenovo became the third-largest personal computer company in the world after Apple and Asus (Lenovo, 2016).

Yang Yuanqing, president and chief executive officer of Lenovo at the time of IBM's acquisition said, "Lenovo's brand name would be established in the international market due to IBM's powerful international image via a five-year brand licensing agreement and ownership of the well-recognized 'Think' family of trademarks" (Lenovo to Acquire IBM Personal Computing Division, para. 14).

2011 was also an important year for Lenovo as a result of its expansionist efforts. Other meaningful acquisitions and joint ventures were made, such as the acquisition of Medion, a PC, and consumer electronics company based in Germany, allowing Lenovo to increase its presence in Western Europe. In the same year, Lenovo also created a joint venture with the Japanese firm NEC; with this agreement, Lenovo became the largest PC company in Japan (Lenovo, 2016). Then in 2012, it formed two new joint ventures, one of them, with the Chinese firm EMC, to sell and develop storage solutions servers in China, and second with the American

firm, Stoneware, to be focused on software development and cloud computing.

Additionally, in 2013 Lenovo acquired CCE, a leading consumer electronic company in Brazil. This acquisition made Lenovo the world's number one PC company and the world's third smartphone company by its unit sales (Perez, 2013). The above acquisitions and joint ventures were remarkable for Lenovo's improvement in the areas of cloud computing and software solutions in its product portfolio (Lenovo, 2016).

Lenovo has faced intense competition in all its business segments; price, technological updates, brand, reputation, distribution, and innovation are part of its constant race to compete against Acer, Asus, Apple, Dell, HP, and Toshiba. While some of its competitors are more focused on price, such as HP, Dell, and Acer; Lenovo is more focused on R&D, pushing forward innovation based on its consumer's preference, allowing Lenovo to create differentiated products to satisfy different customer groups, with different price discrimination (Ahrens & Zhou, 2013).

Lenovo has been working on its image by improving in its products, services, and innovation. In 2015 it ranked third in the computer industry on *Fortune* magazine's list of the "World's Most Admired Companies" (*Fortune*, "World's Most Admired Companies," 2016). Aligned with its marketing strategy and as a result of its internationalization process, the company has invested in every area, creating research centers in Yamato, Japan; Beijing, Shanghai, and Shenzhen, China; and Raleigh, North Carolina, positioning Lenovo as a reliable firm and the world's largest computer seller (Lenovo, 2016) (Table 2).

JBS

JBS is a Brazilian corporation founded in 1953 by José Batista Sobrinho. The company currently has over 200,000 employees worldwide, and a total production of 340 beef units with total revenues of US\$120.5 billion (JBS, 2016). The firm has sales in 24 countries in five continents, such as Argentina, Australia, Belgium, Brazil, United Arab Emirates, the United States, United Kingdom, Uruguay, Puerto Rico, Russia, China, Hong Kong, South Korea, Taiwan, Mexico, Paraguay, Italy, Japan, Canada, and Chile (JBS, 2016).

Nowadays it is recognized for being the world's largest exporter of animal protein, and a global leader in lamb, beef, and poultry processing, and pork production. The company started its expansion in 1970 broadening its

Table 2. Lenovo's Main Internationalization Moves.

Lenovo's Internationalization Process				
Year	Entry Mode	Country of Origin	Countries of Operation	Name of the Company
2004	Acquisition	The United States	Central and South America, Africa, Asia, Europe	IBM
2011	Joint venture	Japan	Americas: The United States and Latin America; APAC: Greater China and Asia Pacific, Oceania; EMEA: Europe, Middle East and Africa	NEC
2011	Acquisition	Germany	Western Europe	Medion
2012	Joint venture	China	China	EMC
2013	Acquisition	Brazil	Brazil	CCE
2012	Acquisition	The United States	The United States	Stoneware
2014	Acquisition	The United States	Worldwide	Motorola Mobility
2014	Acquisition	The United States	The United States	Nok Nok Labs
2014	Strategic alliance	The United States	The United States, Australia, Europe, Asia Pacific, Japan, Latin America	Nutanix

Source: Authors' based on Lenovo's web pages and corporate reports.

operations in the Brazilian beef sector, by means of acquisitions and investments, reaching a daily slaughter capacity of 5.8 thousand heads (JBS, 2016).

JBS' value-added features have made the company's reputation, first, because of its strict quality and sanitary controls over the whole industrial process. Second, JBS has a product portfolio variety mainly focus on food industry, but it has diversified its industry and nowadays its portfolio is comprised of: beef, beef casing, biodiesel, cleaning products, collagen, commercial offices, feedlots, lamb, leather, metal, packaging, pork, poultry, transport, and waste management (JBS, 2016).

The above characteristics have allowed JBS to keep up with its competitors worldwide: Cargill, Tyson, BRF-Brazil Foods, Smithfield Food, and Swift & Company. These firms, represented huge challenges for JBS and were one of the reasons for JBS to launch an aggressive program to acquire existing slaughter-houses and its competing-corporations in the food and pork industry, mainly in United States and the Australian markets.

Based on its aggressive-acquisition program, its internationalization process began in 2005, with the successful acquisition of the Argentinean firm Swift-Armour, the largest beef producer and exporter in Argentina. Then JBS' acquisitions were focused on its American competitors. In 2007 it purchased one of its powerful competitors, Swift Company, the world's largest beef processor. Subsequently, in 2009–2010, Pilgrim's Pride and the North-American Smithfield Foods were also acquired. These American companies' purchases aided JBS to acquire major assets, to support its growth, to increase its daily slaughter capacity, and to enhance its product portfolio, giving JBS a clear advantage over its competitors (Beef Central, 2015).

Furthermore, as part of its expansionist plan, Australia was also one of the main markets for JBS, due to Australia being the fifth largest exporter of beef and sheep worldwide. In 2008, JBS started its expansion into Australia by acquiring Tasman Group and later, in 2010, by acquiring Tatiara Meats and Rockdale Beef's assets. Moreover, according to the *Australian Journal*, JBS complemented its assets and enhanced its product portfolio when the firm purchased 100% share capital of Primo Group, an Australia's leading producer of ham, bacon, and pork (Australian Food News, 2014), plus opened up other 4 production units to supply the Australian market (Beef Central, 2015).

In this way, JBS has been following the same internationalization path, approaching its production facilities in developed countries that can offer it firm-specific assets and value-added products, enrich the firm's know-how,

Table 3. JBS's Main Internationalization Moves.

JBS's Internationalization Process				
Year	Entry Mode	Country of Origin	Countries of Operation	Name of the Company
2005	Acquisition	Argentina	Argentina	Swift-Armour
2007	Acquisition	The United States	The United States	Swift Company
2008	Acquisition	The United States	The United States, Canada	Five Rivers feedlots
2008	Acquisition	Australia	Australia	Tasman Group
2008	Acquisition	The United States	The United States, Mexico, Europe	North-American Smithfield Foods
2009	Acquisition	The United States	The United States, Mexico	Pilgrim's Pride
2010	Acquisition	Australia	Australia, the United States, Canada, Europe	Tatiara Meats
2010	Acquisition	Australia	Australia	Rockdale Beef
2010	Acquisition	Belgium	Belgium	Toledo Group
2010	Acquisition	The United States	The United States	McElhaney feedlot
2014	Acquisition	Australia	Australia	Primo Small goods

Source: Authors' based on JBS's web pages and corporate reports.

and allow it to become more innovative and differentiated among its competitors.

According to [Beef Central \(2015\)](#), an industry trade source, JBS acquisitions are part of a global extension by JBS from fresh meat into the value-added to further-processed foods segments, allowing JBS to extract greater margins than in chilled/frozen meat as stated by Wesley Batista, the current CEO of JBS ([Beef Central, 2015](#)). This has positioned JBS as a global leader in the poultry processing business and one of the largest MNCs in the animal protein sector in the world ([JBS-Brasil, 2016](#)) ([Table 3](#)).

VimpelCom

VimpelCom is a telecommunication services provider and the sixth largest mobile network operator in the world. Founded and registered as a joint

stock company in 1991. The company was born thanks to the efforts of its co-founders Dr. Dmitry Zimin from Russia and Augie K. Fabela from the United States. Currently, it has 66,000 employees, total revenues of US\$19.6 billion and 200 million customers across 14 markets (VimpelCom, 2016).

From its beginnings, VimpelCom was distinguished for its innovation. At the time of the firm's creation, its co-founders identified the opportunity of basic wireless communications in Russia, then, following the same path, the company continued to innovate by using new technologies, such as, wireless application protocol (WAP), general packet radio service (GPRS), and enhanced data rates for GSM Evolution (EDGE). In addition, VimpelCom became the first operator to provide its customers with multimedia messaging service (MMS) and one of the first European operators to launch a wireless local area network (WLAN) zone using subscriber identity module (SIM) authentication (VimpelCom, 2016).

All the above innovations aided VimpelCom to position its local brands: "Beeline," "Wind," "Djezzy," "Kyivstar," "Mobilink," "Banglalink," and "Telecel" in the national and international market, by starting an aggressive-acquisition strategy in 2005. It first acquired KaR-Tel in Kazakhstan, then URS in Ukraine, and finally Tacom in Tajikistan. All three were mobile GSM operators (Telegeography, 2011). Then, in 2008, VimpelCom decided to focus on its internal market by acquiring Golden Telecom, a Russian Internet-service provider and 49.9% total share of the Russian firm Euroset. Both acquisitions enhanced its Internet services network and made it the largest mobile retailer in Russia and the former Soviet Union, with 55 regional networks and a total customer base of over 10 million people in Russia (VimpelCom, 2016).

Between 2006 and 2008, VimpelCom continued its internationalization path and made some new purchases in the same segment. Its main goal was the acquisition of strategic assets in the telecommunication services field. It purchased Butzel and Unitel in Uzbekistan, Mobitel in Georgia, Armentel in Armenia, GTEL-Mobile in Vietnam and Sotelco in Cambodia. All these companies improved VimpelCom's network by transferring their modern system infrastructure and encouraging total coverage in smaller population centers (Telenor, 2016).

Furthermore, in 2010, VimpelCom's continued its expansionist process, and the destiny of the company took another path, when it merged with the Ukraine's leading mobile operator, Kyivstar and moved its headquarters to Amsterdam. Moreover, the company also made a strategic alliance with Orascom Telecom, an Italian telecommunications leading firm, which owned Wind Telecomunicazioni S.P.A, an international telecommunications service

provider in Europe, Asia, and Africa (VimpelCom, 2016). The agreement consisted on the acquisition of 51, 7% of Orascom Telecom and 100% of Wind Telecommunication, in exchange for US\$326 million of Vimpelcom shares and US\$1.8 billion cash (Telegeography, 2011). Vimpelcom's acquisition created the fifth largest mobile carrier, with operations in Europe, Asia, Africa and North America. The company also expected US\$2.5 billion in synergies from operating and capital spending in the combined group (Telegeography, 2011). Alexander Izosimov, CEO of Vimpelcom at the time of the acquisition, said "The closing of this large and complex transaction opens the door for new and exciting growth opportunities, positioning the Company to capitalize on strong growth in emerging markets, industry consolidation, and the rapid development of mobile data" (Prnewswire, 2011, VimpelCom Completes Combination with Wind Telecom, para 7).

Lastly, in 2011 the company kept expanding though South East Asia, and purchased Wind Telecom S.P.A, one of the main operators in Italy, with a GSM network market in Cambodia, Algeria, Bangladesh, Pakistan, Burundi, Zimbabwe, Central African Republic, Egypt, North Korea, and Namibia (*Telecommunications mergers & acquisitions*, 2010).

VimpelCom has also faced challenges and difficulties in its internationalization process, especially in Russia with its main competitors: Mobile TeleSystems and Megafon which are the telecommunication providers in Russia. On the other hand, regarding its international competition, MNCs such as Nippon telegraph, Telephone Corporation, Deutsche Telekom, Verizon communications, Vodafone Group, Docomo Inc. Telecom Italia S.P.A, Telefonica, and AT&T also represent a strong competition, in terms of price and innovation. However, this also encouraged VimpelCom to keep up in the race to enhance its telecommunication services toward becoming more competitive and overcoming all the obstacles in its internationalization process (*Telecommunications mergers & acquisitions*, 2010).

Finally, in relation to its internationalization trajectory, from its foundation VimpelCom was created with a global vision, aiming to consolidate its market in Russia, Europe, the Middle East, and South East Asia. Acquisitions were always considered as a successful strategy for the firm. It acquired telecommunication companies in Europe, South East Asia and the Middle East markets, in order to take advantage of their strategic assets, improving its network and customer service to become more competitive. Thanks to all its acquisitions, especially Kyivstar, Golden Telecom, and Wind Telecom's purchases, VimpelCom is nowadays the sixth largest mobile telecom provider in the world (Fitzgerald, 2015) (Table 4).

Table 4. VimpelCom's Main Internationalization Moves.

VimpelCom's Internationalization Moves			
Year	Entry Mode	Country of Origin	Name of the Company
2005	Acquisition	Kazakhstan	Kar-Tel
2005	Acquisition	Ukraine	URS
2005	Acquisition	Tajikistan	Tacom
2006	Acquisition	Uzbekistan	Butzel
2006	Acquisition	Uzbekistan	Unitel
2006	Acquisition	Georgia	Mobitel
2006	Acquisition	Armenia	Armentel
2008	Joint Venture	Vietnam	GTEL-Mobile
2010	Merger	Ukraine, Holland	Kyivstar
2010	Acquisition	Italy, Europe, Africa, South East Asia, Middle East	Orascom Telecom (Wind telecom S.P.A)
2008	Acquisition	Russia	Golden Telecom
2011	Acquisition	Italy	Wind Telecom S.P.A
2011	Acquisition	Italy	WIND Telecomunicazioni S.P.A
2011	Acquisition	Egypt	Global Telecom Holding S.A.E.

Source: Authors' based on VimpelCom's company reports.

DISCUSSION

Comparison among Studied BRIC MNCs Cases

According to the previously presented findings, BRIC multinationals have been internationalizing by ways of joint ventures and mostly acquisitions, due to the lack of strategic assets in their home countries to complement their strategy (Ramamurti & Singh, 2009). Furthermore, these BRIC MNEs have particular motives for internationalization, following similar patterns. Most of them are mainly characterized to be market or developing seekers (Devinney et al., 2010), looking for the acquisition of ownership-specific advantages, such as natural resources, technological assets, capital, knowledge, or raw materials (Dunning & Lundan, 2008a, 2008b).

The internationalization process of the addressed BRIC MNCs case studies: Tata Motors, Lenovo, JBS, and VimpelCom, was influenced by the type of inputs and resources that each company had in their home country and the search for needed resources in other firms abroad that may have helped them to complement their business assets (Cuervo-Cazurra, 2011). For instance, in the specific case of Tata Motors, the purpose of market expansion was due to enhance their brand reputation and to acquire firm-specific assets, since Tata Motors already had capable human capital and managerial experience from its holder Tata Motors Group, which give them a competitive advantage in other countries (Rienda, Claver, & Quer, 2013).

Vimpelcom and Lenovo's internationalization process is characterized to be market-developing seekers, looking for the acquisition of ownership-specific advantages such as technological and managerial resources (Devinney et al., 2010). On one hand, VimpelCom's case, the lack of telecommunications assets encouraged the firm to acquire these assets abroad in order to complement and compensate for this absence and become more competitive in Europe, the Middle East and South East Asia (Penrose, 1959). On the other hand, Lenovo focused on the acquisition IBM's personal computer and laptop division, to enhance its image, brand recognition, and finally its technological assets. Both MNCs preferred to integrate a network of connections, to fulfill the lacking or limited ownership advantages, especially in the areas of technological and managerial assets (SINA, 2004). Finally JBS acquired Primo Group for their firm-specific assets of value-added and processed foods and the firm's know-how which allowed JBS to be innovative in a product which it did not have to create unique and differentiated products to enter new markets (WATTAgNet.com, 2015) (Table 5).

Finally, in relation to the pace of internationalization, BRIC MNCs' expansion processes have been characterized by overcoming of several obstacles through the possession of firm-specific advantages, mainly composed of managerial capabilities, expertise, and knowledge about the markets and their companies (Caves, 1996). These characteristics allowed the studied BRIC MNCs to overcome the liability of foreignness, in spite of the presence of foreign hostile conditions such as: political instability, economic volatility, customs regulations, and undeveloped physical infrastructure. The above observation confirmed that the BRIC MNCs with evident overseas disadvantages are likely to adapt and perform better in instable economic and political scenarios, since they also present the same kind of disadvantages in their home countries (Johanson & Vahlne, 2009).

Table 5. Tata Motors, Lenovo, JBS, VimpelCom's Main Internationalization Moves.

Overview BRIC MNCs						
Firm	Sector	Founders	Date of Creation	Year of First International Move	Number of Countries (FDI)	Listed on Stock Exchange
Tata Motors	Car and trucks industry	J. R. D. Tata	1945	1961	50+	NYSE, NSE, BSE
Lenovo	Telecommunications	Liu Chuanzhi	1984	2004	160+	SEHK
JBS	Food Industry	Jose Batista Sobrinho	1953	2005	23	BM&F Bovespa
VimpelCom	Wireless communications	Dr. Dmitry Zimin from Russia and Augie K. Fabela from the United States	1991	2010	20	Nasdaq

Source: Authors' own, based on Tata Motors, JBS, Lenovo, and VimpelCom.

CONCLUSIONS

The present study contributes to the current literature on BRIC MNEs' internationalization by comparing the existing scientific firm internationalization theories to the expansionist path followed by four MNEs from BRIC economies.

This study aimed to provide a major understanding of the current models used by EMMNEs specifically from BRIC countries concluding that MNEs from BRIC economies internationalized in the same way as MNEs from developed countries; however their expansionist motivations might differ. This points out that firm internationalization theories are sufficient to certain degree; nevertheless, it is also necessary to complement these theories with an analysis of the current challenges that MNEs from emerging economies are currently facing.

Particularly, when it comes to the extent of theories such as Linkage Leverage and Learning approach (Matthews, 2006), this approach was enough to explain Indian MNEs' internationalization. Specifically, in the case of Tata Motors, the firm leveraged its learning through the acquisition of strategic assets in strategic locations, which led the company to overcome its liability of foreignness. The Uppsala Model (Johanson & Vahlne, 1977), a theory used by the Brazilian MNEs, was exemplified in the study by the Brazilian firm JBS. The theory also succeeded in providing explanation to the linear path followed by this company and in general by the Brazilian MNEs that gradually expanded their activities abroad, first in the closest countries in terms of location and cultural proximity.

The Springboard perspective (Luo & Tung, 2007) and the Resource-Based view related to inward and outward activities (Geng Cui et al., 2014); are both expansionist approaches used by Russian and Chinese MNEs respectively, these approaches were used in the study in order to explain how the firms compensated for their competitive disadvantages. In the case of Russian MNEs' internationalization, their main motivation relied on strategic-assets and efficiency seeking, using acquisitions and mergers as a springboard to access to key resources (Kumar & Pattnaik, 2014). Chinese MNEs likewise engaged in inward activities, supported by the acquisition of strategic resources and knowledge to speed up their expansion abroad and finally commit in outward activities.

Other internationalization models such as the OLI paradigm, Institutional-Base view and Group embeddedness were also applied by MNEs from BRIC economies. These theories were used to explain the

behavior of the BRIC multinationals, which were encouraged by asset-seeking and opportunity-seeking motivations.

The results of the study reflect that MNEs are sufficient to explain the internationalization path of EMMNEs from BRIC MNEs; however the results of this study are limited and cannot be generalized. These is due to the fact that the four MNEs studied operate in different countries and industries and have dissimilar levels of expertise; therefore, the results of the study cannot constitute a global model for the specific path followed by MNEs in BRIC economies. On the other hand, since this study is only supported by secondary data it might be less exact and rigorous than large-scale hypothesis testing (Eisenhardt & Graebner, 2007). Additionally, the conclusions are presented based on empirical evidence from secondary sources, concentrated mostly on scientific studies, theoretical approaches and academic and company reports, but not supported by quantitative data sources that can provide more confidence and validity in the findings and results.

Scholars, such as Cuervo-Cazurra, support this conclusion regarding the research question very succinctly. The “cold” classification in his Goldilocks analogy, suggested that the current theories of MNE internationalization are sufficient to explain the EMMNE internationalization process. However, the “just right” classification of firm internationalization theories in relation to EMMNEs states that the classical theories on MNE internationalization explained mostly how EMMNEs internationalize, yet, there is room for further investigation (Cuervo-Cazurra, 2012).

In contrast, MNEs have proven to have a stronger inclination to build and exploit relational capabilities to offset their late-mover disadvantages and to compete against global rivals (Luo & Rui, 2009). For example, while EMMNEs may internationalize in the same way as MNEs from developed or industrialized economies, the motivation behind the internationalization may be different and further research should be undertaken with this research question in mind. Thus, in the future, it might become necessary to create new internationalization theories that can further explain their internationalization processes and entry modes behavior (Ramamurti & Singh, 2009).

REFERENCES

- Ahrens, N., & Zhou, Y. (2013). *China's competitiveness Japan, Myth, reality and lessons for the United States and Japan* (pp. 53–54). Case Study: Lenovo. Center For Strategic Studies. Retrieved from http://csis.org/files/publication/130129_competitiveness_Lenovo_casestudy_

- Álvarez Medina, L., Carrillo, J., & González Marín, M. (2014). *El auge de la industria automotriz en México en el siglo XXI*, México (pp. 78–83).
- Arnold, D. J., & Quelch, J. A. (1998). New strategies in emerging markets. *Sloan Management Review*, 40(1), 7–20.
- Australian Food News. (2014). *Brazil's JBS buys Primo Smallgoods*. Retrieved from <http://www.ausfoodnews.com.au/2014/11/24/brazils-jbs-buys-primo-smallgoods.html>
- Barlett, C. A., & Ghosal, S. (1989). *Managing across borders: The transnational solution*. Cambridge, MA: Harvard Business School Press.
- Barney, J. B. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99–121.
- Becker-Ritterspach, F., & Bruche, G. (2012). Capability creation and internationalization with business group embeddedness – The case of Tata Motors in passenger cars. *European Management Journal*, 30(3), 232–247. doi:10.1016/j.emj.2012.03.009
- Beef Central. (2015). Beef central – beef cattle. *News Australia*. Retrieved from <http://www.beefcentral.com/>. Accessed on April 23, 2016.
- Cantwell, J., Dunning, J. H., & Lundan, S. M. (2010). An evolutionary approach to understanding international business activity: The co-evolution of MNEs and the institutional environment. *Journal of International Business Studies*, 41(4), 567–586.
- Caves, R. (1996). *Multinational enterprise and economic analysis*. Cambridge: Cambridge University Press.
- Cuervo-Cazurra, A. (2007b). Sequence of value-added activities in the multinationalization of developing country firms. *Journal of International Management*, 13(3), 258–277. doi:10.1016/j.intman.2007.05.009
- Cuervo-Cazurra, A. (2011). Global strategy and global business environment: The direct and indirect influences of the home country on a firm's global strategy. *Global Strategy Journal*, 1(3–4), 382–386.
- Cuervo-Cazurra, A. (2012). Extending theory by analysing developing country multinational companies: Solving the Goldilock debate. *Global Strategy Journal*, 2(3), 153–167.
- Devinney, T., Pedersen, T., & Tihanyi, L. (Eds.). (2010). *The past, present and future of international business and management* (Vol. 23). Advances in International Management. Bingley, UK: Emerald Group Publishing Limited.
- Dunning, J. H. (1988). The eclectic paradigm of international production: A restatement and some possible extensions. *Journal of International Business Studies*, 19(1), 1–31.
- Dunning, J. H., & Lundan, S. M. (2008a). Institutions and the OLI paradigm of the multinational enterprise. *Asia Pacific Journal of Management*, 25(4), 573–593.
- Dunning, J. H., & Lundan, S. M. (2008b). *Multinational enterprises and the global economy* (2nd ed.). Cheltenham: Edward Elgar.
- Eisenhardt, K. (1989). Building theories from case study research. *The Academy of Management Review*, 14(4), 532. doi:10.2307/258557
- Eisenhardt, K. M., & Graebner, M. E. (2007). Theory building from cases: Opportunities and challenges. *Academy of Management Journal*, 50(1), 25–32.
- Euromonitor. (2013). The BRICs are more important than ever to the global economy. Euromonitor International. Retrieved from <http://blog.euromonitor.com/2013/08/the-brics-are-more-important-than-ever-to-the-global-economy.html>
- Euromonitor. (2015). *How the BRIC business environments compares*. Euromonitor Passport, Euromonitor International.

- Fitzgerald, R. (2015). *The rise of the global company: Multinationals and the making of the modern world* (p. 464). Cambridge: Cambridge University Press.
- Geng Cui, T. S., Chan, H. Z., & Peng, L. (2014, November). Different roads to Rome? Patterns of internationalization in Chinese firms. In *The Rise of Asian Firms* (pp. 183–204). Retrieved from <http://www.palgraveconnect.com/pc/doi/10.1057/9781137407719.016>
- Glaser, B., & Strauss, A. (1967). *The discovery of grounded theory: Strategies of qualitative research*. London: Wiedenfeld and Nicholson.
- Hart, S., & Milstein, M. (1999). Global sustainability and the creative destruction of industries. *Sloan Management Review*, 41(1), 23–33.
- Hassan, S. S., & Katsanis, L. P. (1994). Identification of global consumer segments: A behavioural framework. *Journal of International Consumer Marketing*, 3(2), 11–28.
- Hymers, S. H. (1976). *The international operations of national firms: A study of direct foreign investment*. Ph.D. dissertation. Published posthumously. Cambridge, MA: The MIT Press, 1976.
- Inemoto & Vale Columbia Center on Sustainable International Investment. (2013). *Global expansion of Russian multinationals after the crisis: Results of 2011*. Institute of World Economy and International Relations and Vale Columbia Center on Sustainable International Investment.
- JBS-Brasil. (2016). [online]. Retrieved from <http://www.jbs.com.br/es>. Accessed on April 18.
- Johanson, J., & Vahlne, J.-E. (1977). The internationalization process of the firm: A model of knowledge development and increasing market commitments. *Journal of International Business Studies*, 8(1), 23–32.
- Johanson, J., & Vahlne, J. E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9), 1411–1431. doi:10.1057/jibs.2009.24
- Kumar, V., & Pattnaik, C. (2014). *Emerging market firms in the global economy*. Bingley, UK: Emerald Group Publishing Limited.
- Lenovo. (2016). *Group to Acquire IBM personal computing division*. Retrieved from http://www.lenovo.com/news/us/en/2005/04/ibm_lenovo.html. Accessed on April 15.
- London, T., & Hart, S. L. (2004). Reinventing strategies for emerging markets: Beyond the transnational model. *Journal of International Business Studies*, 35(5), 350–370.
- Luo, Y., & Rui, H. (2009). An ambidexterity perspective toward multinational enterprises from emerging economies. *Academy of Management Perspectives*, 23(4), 49–70.
- Lund-Thomsen, P., & Wad, P. (2014). Global value chains, local economic organization and corporate social responsibility in the BRICS countries. *Competition & Change*, 18(4), 281–290. doi:10.1179/1024529414z.00000000061
- Luo, Y., & Tung, R. L. (2007). International expansion of emerging market enterprises: A springboard perspective. *Journal of International Business Studies*, 38(4), 481–498. doi:10.1057/palgrave.jibs.8400275
- Makino, S., Lau, C., & Yeh, R. (2002). Asset-exploitation versus Asset-seeking: Implications for location choice of foreign direct investment from Newly industrialized economies. *Journal of International Business Studies*, 33(3), 403–421.
- Matthews, J. A. (2006). Dragon multinationals: New players in the 21st century. *Asia Pacific Journal of Management*, 23, 5–27.
- Moskowitz, H. R., & Rabino, S. (1994). Sensory segmentation: an organizing principle for international product generation. *Journal of Global Marketing*, 8(1), 73–93.

- NASDAQ.com. (2012). *What is the difference between a developed, emerging, and frontier market?*. Retrieved from <http://www.nasdaq.com/article/what-is-the-difference-between-a-developed-emerging-and-frontier-market-cm140649#ixzz48CVB4HQf>. Accessed on May 9, 2016.
- Oyewole, P. (1998). Country segmentation of the international market: using ICP-based consumption patterns. *Journal of Global Marketing*, 11(4), 75–94.
- Penrose, E. T. (1959). *The theory of the growth of the firm* (Vol. 28). Oxford: Oxford University Press.
- Perez, B. (2013). Lenovo completes strategic acquisition in Brazil. *South China Morning Post*. Retrieved from <http://www.scmp.com/business/china-business/article/1119418/lenovo-completes-strategic-acquisition-brazil>. Accessed on April 18, 2016.
- Pereira Peláez, K. (2012). Theoretical analysis of the internationalization process of the Brazilian company JBS. *Revista de Negocios Internacionales*, 5(1), 20–28.
- Porter, M. E. (1980). *Competitive strategy*. New York, NY: Free Press.
- Prahalad, C. K., & Hart, S. (2002). The fortune at the bottom of the pyramid. *Strategy + Business*, (26), 54–67.
- Prnewswire. (2011). VimpelCom supervisory board approves new terms for combination with WIND TELECOM S.p.A. (Formerly Weather Investments S.P.A.). Retrieved from <http://www.prnewswire.com/news-releases/vimpelcom-supervisory>. Accessed on April 10, 2016.
- Ramamurti, R., & Singh, J. V. (2009). *Emerging multinationals in emerging markets*. Cambridge: Cambridge University Press.
- Rienda, L., Claver, E., & Quer, D. (2013). *The internalisation of Indian multinational: Determinants of expansion through acquisitions*. Retrieved from <http://rua.ua.es>
- Robbin, H., & Harrison, P. (2008). Tata front-runner to buy Ford's luxury brands. *Reuters*, January 3, 2008. Retrieved from <http://www.reuters.com/article/us-ford-tata-confirmation-idUSBOM9056420080104>. Accessed on October 18, 2016.
- Salam, M. (2013). Internationalization of Tata motors: The case of JLR. *SSRN Electronic Journal*, 5–18. doi:10.2139/ssrn.2396897
- SINA. (2004). *Lenovo acquires IBM's PC business*. Retrieved from <http://english.sina.com/business/p/1/2004/1208/13028.html>
- Strauss, A. (1987). *Qualitative analysis for social scientists*. Cambridge: Cambridge University Press.
- Tatamotors.com. (2016). *Tata Motors Limited | Largest Indian Automobile Manufacturer* [online]. Retrieved from <http://www.tatamotors.com/>. Accessed on April 23.
- Telecommunications mergers & acquisitions. (2010). *Tata motors limited. largest Indian automobile manufacturer* (pp. 10–15). Boston, MA: Tata Motors. (2016). [online]. Retrieved from <http://www.tatamotors.com/board-approves-new-terms-for-combination-with-windtelecom-spa-formerly-weather-investments-spa-113862059.html>
- Telegeography. (2011). Vimpelcom confirms closing of 'large and complex' Wind Telecom deal. Retrieved from <https://www.telegeography.com/products/commsupdate/articles/2011/04/18/vimpelcom-confirms-closing-of-large-and-complex-wind-telecom-deal/>. Accessed on April 18.
- Telenor Group. (2016). *Historical background*. Retrieved from <https://www.telenor.com/media/in-focus/vimpelcom-ltd/historical-background/>. Accessed on April 22.
- Thite, M., Wilkinson, A., Budhwar, P., & Mathews, J. A. (2015). Internationalization of emerging Indian multinationals: Linkage, Leverage and Learning (LLL) perspective. *International Business Review*, 25(1, Part B), 435–443. doi:10.1016/j.ibusrev.2015.06.006

- UNCTAD. (2012). *World investment report: Towards a new generation of investment policies*. Retrieved from http://unctad.org/en/PublicationsLibrary/wir2012_embargoed_en.pdf
- WATTAgNet.com (2015). JBS finalizes purchase of Australia's Primo Group. *WATTAgNet.com*, March 20, 2015. Retrieved from <http://www.wattagnet.com/articles/22149-jbs-finalizes-purchase-of-australia-s-primo-group>. Accessed on October 18, 2016.
- Winterhalter, S., Zeschky, M. B., & Gassmann, O. (2015). *Managing dual business models in emerging markets: An ambidexterity perspective*. *R&D Management*. doi:10.1111/radm.12151
- World Economic Forum. (2016). *Five questions about the BRICS nations*. [online]. Retrieved from <https://www.weforum.org/agenda/2015/07/five-questions-about-the-brics-nations/>. Accessed on May 9.
- Yin, R. (1984). *Case study research*. Beverly Hills, CA: Sage.