



UNIVERSITÀ
DI PAVIA

Department of Economics and Management
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Entrepreneurship – International Management

**Pioneers, followers and adaptive firms: strategic
entry and competitive dynamics in emerging
markets**

Supervisor:

Prof. Maria Chiara Demartini

Student:
Ikram Mahhadi

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Abstract

This thesis examines how firms build and sustain competitive advantage in emerging markets, with particular attention to the role of entry timing. While traditional international business literature often links early entry to strategic advantage, evidence from emerging markets shows that timing alone does not fully explain long-term outcomes. In these contexts, firms operate in environments shaped by institutional volatility, changing competition, and a constant need for adaptation.

The thesis explores how entry timing, institutional context, and adaptive capabilities influence firms' ability to achieve sustained competitive advantage. It develops a conceptual framework combining first-mover and late-mover theory with a broader focus on institutional conditions and firm-level adaptation. The empirical analysis adopts a qualitative comparative case study approach and examines eight firms across different industries and emerging-market settings.

The findings show that early entry can create important opportunities, but that these are rarely sufficient on their own. Long-term competitiveness depends more strongly on the fit between firms' strategic choices and the institutional and competitive conditions of the host market, as well as on their ability to adapt over time. The thesis argues that competitive success in emerging markets is shaped by the interaction between timing, context, and adaptation.



**UNIVERSITÀ
DI PAVIA**

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**Pionieri, follower e imprese adattive:
strategie di entrata e dinamiche competitive
nei mercati emergenti**

Relatore:

Chiar.ma Prof. Maria Chiara Demartini

**Tesi di Laurea
di Ikram Mahhadi
Matr. n.531252**

Anno Accademico 2024-2025

Abstract

Questa tesi analizza come le imprese costruiscono e mantengono un vantaggio competitivo nei mercati emergenti, con particolare attenzione al ruolo del timing di entrata. Sebbene la letteratura tradizionale di international business colleghi spesso l'ingresso precoce a un vantaggio strategico, le evidenze provenienti dai mercati emergenti mostrano che il timing, da solo, non spiega pienamente gli esiti competitivi di lungo periodo. In questi contesti, infatti, le imprese operano in ambienti caratterizzati da volatilità istituzionale, concorrenza in evoluzione e una costante necessità di adattamento.

La tesi esplora in che modo il timing di entrata, il contesto istituzionale e le capacità di adattamento influenzino la possibilità delle imprese di conseguire un vantaggio competitivo durevole. A questo scopo, sviluppa un framework concettuale che combina *first-mover* e *late-mover theory* con una prospettiva più ampia sulle condizioni istituzionali e sull'adattamento strategico a livello d'impresa. L'analisi empirica adotta un approccio qualitativo comparativo basato su studi di caso e prende in esame otto imprese appartenenti a settori e contesti di mercato emergente differenti.

I risultati mostrano che l'ingresso precoce può creare opportunità importanti, ma che queste raramente sono sufficienti da sole. La competitività di lungo periodo dipende soprattutto dalla coerenza tra le scelte strategiche dell'impresa e le condizioni istituzionali e competitive del mercato ospite, nonché dalla capacità di adattarsi nel tempo. La tesi sostiene quindi che il successo nei mercati emergenti dipende dall'interazione tra timing, contesto e adattamento.

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1. Introduction

1.1. Background and Context

International expansion has become an important part of competition in the global economy. Firms in many industries, from large multinational companies to younger entrepreneurial ventures, increasingly look outside their home markets to find new sources of growth. One reason is that many traditional markets have become saturated and highly competitive, leaving little room for meaningful expansion.

At the same time, the global economic context is going through a phase of change that cannot be ignored. **Emerging economies** are growing more quickly than advanced ones: according to recent IMF estimates, advanced economies grow at around 1.6 percent per year, while emerging and developing markets are at around 4 percent (International Monetary Fund, 2025). This difference, reflects a real shift in global economic vitality, explaining why investors are looking with growing interest at these markets.

Among the conditions that make countries like Brazil, **Vietnam** and India attractive are the rapid growth of the population, especially the younger consumers, and markets with few players compared to saturated domestic ones. This is also supported by increasingly efficient infrastructure, which over time has allowed a growing share of the population to access goods and services, making the gap with the rest of the global economy smaller and smaller.

These conditions therefore represent concrete opportunities for companies willing to expand and build a solid presence in markets that are becoming increasingly important.

However, operating in these markets is not that simple. Rules and regulations can shift fast and in ways that are not easy to anticipate, legal frameworks are not always consistent, and local

players tend to have well-rooted networks and a ground-level understanding of the market that outside firms simply do not have. Additional layers of risk come from political instability and currency fluctuations, which cannot always be planned for. In this sense, **emerging markets** combine strong growth potential with an equally high degree of uncertainty. For this reason, firms cannot just think about which market to expand into, but also need to think about timing and the level of commitment required.

These choices become even harder when available information is scarce, and the competitive landscape is still fully evolving. Entering first, as a pioneer, can help a company gain an advantageous position, shape market expectations and secure key resources before competitors do. Waiting, on the other hand, lets companies watch how competitors move and get a better sense of what the market actually looks like. Neither approach, though, comes with any guarantee of a lasting **competitive advantage**.

In markets that evolve quickly, first mover advantages tend to diminish as soon as competitors manage to replicate successful strategies, while late entrants may face markets that are already more consolidated, where differentiation becomes considerably more difficult. As will be discussed later in the thesis, what firms do after entry often matters just as much as the initial entry choice itself. Timing, the capacity to learn, and **strategic flexibility** are central to how firms compete in emerging markets today.

1.2. Research problem statement

While international expansion into emerging markets has been widely studied, current theories only partially explain how companies manage the timing of their entry and adapt in uncertain conditions. Most **internationalization theories** focus on learning and gradual commitment, while research on first mover and late mover advantages mainly looks at the competitive effects

of when to enter. Even though these approaches offer very interesting contributions, they often fail to connect in a way that links timing decisions with the strategic choices firms make once they are in the market. As a result, they do not fully explain a central tension in emerging markets: if entering early is often associated with **competitive advantage**, why do followers sometimes outperform pioneers?

In **emerging markets**, which move fast and are far from simple, the moment of entry is closely tied to how well companies manage to adapt once they are inside. Entering a market early can be an advantage because firms gain visibility sooner and secure key resources before competitors do. At the same time, **early entry** can be also risky, especially where demand, regulation and infrastructure are still changing such as in emerging markets. And while waiting reduces these risks, in the most attractive markets some competitors may have already consolidated their position. For this reason, the literature does not offer a clear answer on whether pioneers or followers perform better, and the timing of entry does not, by itself, explain long-term success.

What has not been fully explored is how timing decisions, learning processes, and post-entry adaptation work together to shape firm performance in different emerging markets. More specifically, the key issue is not simply whether pioneers or followers perform better, but under what strategic and contextual conditions timing leads to **sustained competitive advantage**. There has also been limited focus on how pioneer, follower, and adaptive strategies differ in their long-term outcomes.

This thesis aims to fill that gap by combining **internationalization theory** with insights on entry timing in order to build a more dynamic framework for understanding international market entry. By investigating how timing, adjustments in commitment, and market volatility interact, this study seeks to deepen our understanding of competitive positioning in emerging

markets and to explain more clearly why some firms sustain their advantage over time while others do not.

1.3. Objectives of the study

The primary objective of this study is to develop an integrated understanding of how entry timing and firms' ability to adapt after entry work together to shape competitive outcomes in **emerging markets**. Rather than treating these as separate questions, this thesis examines how they interact in environments that are institutionally volatile and where competition is constantly evolving.

To achieve this aim, this thesis is built around three closely connected objectives.

The first is to develop an analytical framework that puts learning-based **internationalization theory** in dialogue with the literature on first mover and late mover advantages. Drawing on these contributions, the thesis develops a theoretical basis to understand how firms deal with entry decisions in emerging markets.

The thesis then looks at the strategic trajectories of pioneer, follower, and adaptive firms, with a specific focus on how they differ in terms of commitment patterns, post-entry adjustments, and learning mechanisms.

Finally, the thesis examines how specific conditions in emerging markets influence the effectiveness of alternative entry strategies and identifies the circumstances under which specific approaches are more likely to result in **sustained competitive advantage**. Through these objectives, the study contributes to a more dynamic and context-sensitive understanding of international strategic behavior in emerging economies.

1.4. Research Question

Building on the research problem and objectives outlined above, this thesis addresses the following central research question:

Under what contextual and strategic conditions do pioneer, follower, and adaptive strategies lead to sustained competitive advantages in emerging markets?

To guide the empirical analysis more clearly, the main question is supported by three sub-questions:

1. How does **entry timing** shape firms' initial competitive position, and why does early entry not always lead to durable advantage?
2. How do **institutional and competitive conditions** influence the success of pioneer, follower, and adaptive strategies?
3. How does **post-entry adaptation** affect firms' ability to sustain competitive advantage over time?

These sub-questions provide a clearer structure for the analysis and will be discussed again in the final discussion of the thesis.

1.5. Structure of the Thesis

This thesis is structured as follows.

Chapter 2 develops the theoretical framework by reviewing key perspectives on internationalization and entry timing strategies. It integrates staged and rapid internationalization models with the literature on **first-mover** and **late-mover advantages** in order to establish the analytical foundation of the study.

Chapter 3 outlines the conceptual framework developed to address the research question and defines the main analytical dimensions used in the study.

Chapter 4 presents the empirical analysis, looking at the strategic behaviour and performance trajectories of pioneer, follower, and adaptive firms in emerging markets.

Chapter 5 then discusses the findings in relation to the theoretical framework, considering their implications for both international business research and managerial practice.

Finally, Chapter 6 concludes the thesis by summarizing the main contributions, acknowledging the study's limitations, and suggesting possible directions for future research.

2. Literature Review

This chapter presents a review of the relevant literature on internationalization and market entry strategies. It discusses the main theoretical perspectives that underpin the analysis of firms' strategic behavior in emerging markets, with particular attention to differences in entry timing and adaptation.

2.1. Theories of internationalization

Research on internationalization has produced several theoretical perspectives that try to explain how and why firms expand abroad. As markets have become more open and globalized, this question has gained increasing relevance. When expanding internationally, firms face a number of important decisions: which markets to enter, when to enter them, and how to do so. These decisions matter because they shape how firms deal with uncertainty and try to build a competitive position in foreign markets (Kumar & Subramanian, 1997).

Among the most influential and still widely debated perspectives in this area are **the Uppsala model** and **the Born Global and international entrepreneurship** approaches. The Uppsala model views internationalization as a gradual and learning-driven process in which firms increase their commitment to foreign markets over time as they gain experiential knowledge and reduce uncertainty (Johanson & Vahlne, 1977). The Born Global and international entrepreneurship literature takes a different view. It argues that some firms go international very early, sometimes right from the start, by relying on an entrepreneurial mindset, international connections, and a high degree of flexibility (Oviatt & McDougall, 1994).

Although these two perspectives start from different assumptions, they can be seen as complementary. Looking at them together is especially useful when studying entry decisions in emerging markets, where uncertainty is high, institutions are complex, and competition can change quickly.

In addition, much of the internationalization literature was originally developed with advanced economies in mind, which may limit its ability to fully explain firm behaviour in emerging and developing markets marked by institutional instability and rapid change (Axinn & Matthyssens, 2002). For this reason, **internationalization theories** need to evolve to account for new firm behaviors.

The following paragraphs further examine these two theoretical perspectives, providing a more detailed discussion of their core assumptions, mechanisms, and implications for firms' international expansion paths.

2.1.1. Uppsala model - Staged Internationalization

The **Uppsala model** represents one of the earliest and most influential theoretical frameworks developed to explain firms' internationalization behavior. Developed by Johanson & Vahlne

(1977), it presents internationalization as a gradual process in which firms increase their involvement in foreign markets over time. In this view, entering foreign markets is not a single decision, but a process that develops step by step as firms gain experience and learn how to deal with uncertainty.

A key assumption of the model is that firms usually begin their international expansion with limited knowledge of foreign markets. Because of this, they tend to face uncertainty when operating abroad. Much of this knowledge is built through direct experience in the market; for this reason, firms tend to expand first into markets that are perceived as closer to them, both culturally and institutionally. This is reflected in the concept of psychic distance, which brings together all those factors that make a foreign market harder to understand, such as differences in language, culture, business practices, and political systems (Johanson & Vahlne, 1977).

As a result, firms tend to increase their commitment gradually. They usually enter foreign markets in a limited way at the beginning, for example through occasional exports or through local intermediaries. Only after gaining more familiarity with the market do they move towards stronger forms of presence, such as sales subsidiaries or local production. In the Uppsala model, this gradual progression is described as the establishment chain.

The basic idea is that each stage helps firms gain practical knowledge, reduce uncertainty, and become more confident about committing further resources in the future (**Figure 1**).

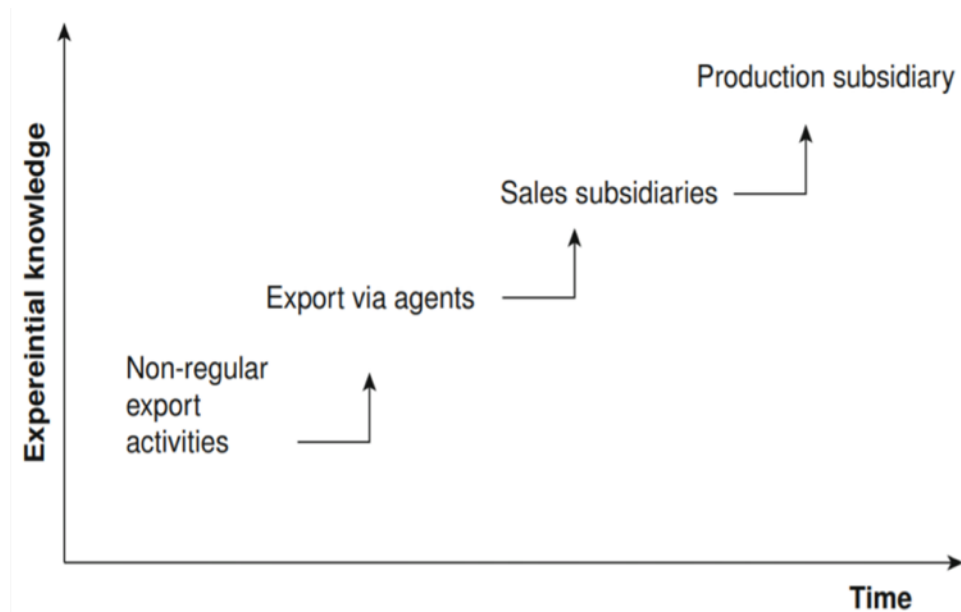


Figure 1: The establishment chain in the Uppsala model of internationalization

Source: Zucchella and Magnani (2016, p. 49)

Learning plays a central role in this framework. It does not come mainly from reports or market research, but through direct experience in foreign markets. Over time, this experiential learning helps firms develop a better understanding of local demand, competitive conditions, and institutional conditions, all of which feed into future strategic decisions. As firms become more involved in a market, they also become more embedded in it, and this supports the idea that internationalization is a process that consolidates progressively over time (Johanson & Vahlne, 1977).

Although the original 1977 model focused mainly on manufacturing firms from advanced economies, over time research has revised some of these assumptions to fit broader contexts and keep up with the way global markets have evolved. Arvidsson and Arvidsson (2019) suggest interpreting the model in a flexible way, focused on learning and managing uncertainty, rather than as a rigid sequence of stages. More recent work has also shown that the model can

accommodate network relationships, institutional complexity, and fast-changing environments, making it more applicable to today's international business landscape (Hult et al., 2020).

At the same time, the Uppsala model also has important limitations. It is based on a gradual view of international expansion, where firms learn through experience, reduce uncertainty over time, and increase commitment only when they know the market better. This still helps explain the behavior of firms that prefer to move carefully and limit risk. However, it becomes less convincing when applied to firms that expand very quickly across borders, especially in digital or platform-based industries, where physical presence is often less central and speed can itself become a source of advantage. In these cases, psychic distance may not shape expansion in the same way suggested by the original model, while a slow entry process may even become a weakness rather than a strength.

This point is relevant for the research question of this thesis. If some firms enter later, adapt more effectively, and can still outperform earlier movers, the Uppsala model alone cannot fully explain why. It remains useful for understanding firms that expand cautiously and build knowledge step by step, but it says less about the **strategic flexibility** that may allow followers or adaptive firms to succeed despite delayed entry.

This limitation is partly addressed by the born global and international entrepreneurship literature, which explains why some firms choose to expand early and rapidly across borders rather than following a gradual path (Cavusgil & Knight, 2015; Oviatt & McDougall, 1994).

To understand the internal logic of the Uppsala model more clearly, the following section examines in greater detail the mechanisms of learning, uncertainty, and commitment that underpin it.

2.1.2. Learning, uncertainty and commitment

Building on the learning-based logic introduced above, the Uppsala model assumes that firms initially face substantial uncertainty in foreign markets because of their limited experiential knowledge. As this knowledge develops through direct international involvement, uncertainty gradually decreases, allowing firms to make more informed decisions about how to proceed (Johanson & Vahlne, 1977).

This logic is built around the interaction between state variables and change variables (**Figure 2**). State variables capture where the firm currently stands in its internationalization process, mainly in terms of its market knowledge and level of commitment. Change variables, on the other hand, describe how the process moves: firms learn from their experience in foreign markets, and this learning shapes their willingness to commit. Together, these variables help explain how firms progress from one stage of international involvement to another. As learning and commitment interact and reinforce each other, they generate a gradual and evolving pattern of international expansion (Johanson & Vahlne, 1977).

Within this framework, internationalization develops through **two main mechanisms**. First, firms learn by operating in foreign markets and gradually build knowledge about those specific contexts. Second, they make commitment decisions aimed at strengthening their position abroad. Commitment, however, is not only about the amount of resources invested; it also depends on how difficult it would be to withdraw, in other words, how tied the firm is to a particular market.

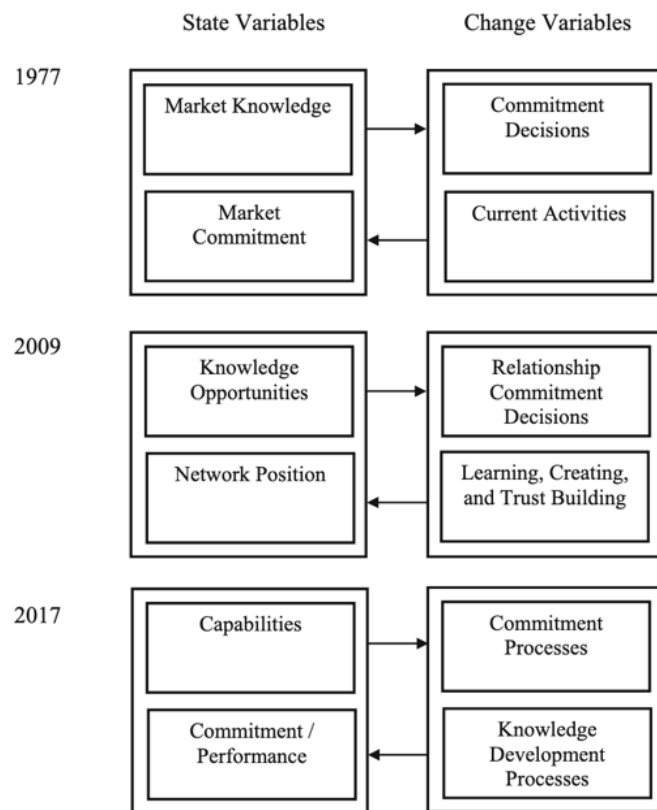


Figure 2: Evolution of the Uppsala model and its core dynamic mechanisms (1977-2017)

Source: Hult et al. (2020, p. 44)

While the original Uppsala model focused on **experiential learning** and **incremental commitment**, later revisions expanded the framework without changing its core logic. The 2009 revision brought in the role of networks and relational ties, showing how learning and commitment are also shaped by the relationships firms build and the networks they are part of (Johanson & Vahlne, 2009). More recent work has placed greater attention on firm capabilities and on how knowledge and commitment continue to develop over time, reflecting the fact that international environments have become more complex and fast-changing (Vahlne & Johanson, 2017).

That said, this logic works best in relatively stable contexts, where firms have enough time to learn and adjust gradually. As Hult et al. (2020) point out, uncertainty does not develop in the same way across markets. In emerging markets, firms often have to deal with unclear

institutional frameworks, unstable regulations, and competitive conditions that can change very rapidly. Waiting for uncertainty to decrease before increasing commitment can itself become a source of risk, which highlights a real tension between learning gradually and the need to act quickly.

These considerations suggest that gradual internationalization does not work the same way in every context, and that firms sometimes need to follow different paths that do not rely on incremental learning and staged commitment.

2.1.3. Born globals - International Entrepreneurship

In contrast to the incremental logic of the Uppsala model, the born global and **international entrepreneurship** literature focuses on firms that are able to expand internationally at an early stage and at a faster pace. This perspective developed in response to empirical observations that staged internationalization models struggled to explain, particularly in knowledge-intensive and innovation-driven industries.

One of the most important contributions comes from Oviatt and McDougall (1994), who introduced the concept of international new ventures, firms that seek to build a **competitive advantage** by operating across multiple countries from the moment they are founded, or very close to it. These firms enter foreign markets very early, actively look for opportunities abroad, and rely on international networks to support their expansion. The core argument of this perspective is that early internationalization is not the outcome of a gradual learning process, but rather a conscious strategic choice, very often driven by the founders' international experience, their global vision, and their willingness to take risks. Rather than waiting for uncertainty to gradually reduce, these firms rely on speed, flexibility, and the networks they have already developed. Learning tends to occur more rapidly and in a more outward-looking

manner, building on external knowledge and connections rather than on experience accumulated over time (Oviatt & McDougall, 1994).

Cavusgil and Knight (2015) build on this framework by describing **born global firms** as organizations that reach a significant level of international presence in a short period of time, largely by leveraging intangible assets such as innovation capacity, technological expertise, and the international mindset of their management. These firms do not wait for uncertainty to decrease but accept a higher level of exposure from the start, in exchange for faster market access and the chance to position themselves ahead of competitors.

However, expanding rapidly internationally does not in itself guarantee a lasting **competitive advantage**. Moving fast brings concrete difficulties that cannot be overlooked: coordinating operations across multiple countries is not straightforward, and firms find themselves more exposed to institutional risk, especially in emerging markets where uncertainty is higher. The success of born global strategies therefore depends largely on firms' ability to manage uncertainty and adapt as conditions change. This also shows that rapid internationalization is not automatically superior to gradual expansion but represents a different strategic path that may be more suitable under certain conditions.

For this reason, the contrast between staged and rapid internationalization becomes particularly important. The following section examines this comparison more directly by looking at gradual and rapid expansion as two alternative internationalization paths.

2.1.4. Internationalization paths: staged versus rapid expansion

The internationalization literature suggests that firms can follow quite different expansion paths, from gradual and staged internationalization to early and rapid global expansion. The **Uppsala model** offers a solid explanation of how learning-based and incremental

internationalization works, but it does not fully capture the behavior of firms that expand quickly across borders from an early stage.

The **born global and international entrepreneurship** perspectives, on the other hand, explain rapid expansion well but pay less attention to the cumulative learning processes that characterize more gradual approaches. These two paths rest on different assumptions about how firms deal with uncertainty and allocate resources. The staged approach assumes that firms should reduce uncertainty through experience before making major commitments. The rapid approach assumes that uncertainty often cannot be resolved in advance and has to be managed through proactive behavior, network use, and early commitment.

What both perspectives show, however, is that neither directly addresses what it means, in competitive terms, to enter a market early or late. Both explain how firms expand internationally, but they offer limited insight into how the timing of entry affects a firm's position relative to its competitors.

What emerges from this discussion is that neither path is inherently better than the other. It depends a lot on the firm's own characteristics, its resources, capabilities, prior experience, strategic objectives and the type of market it wants to enter. In stable contexts, taking a gradual approach can be a good way to keep uncertainty low and build commitment over time. In faster-moving or more competitive contexts, however, waiting too long can cost a firm its position in the market and make it harder to get to the resources it needs.

This is important for the thesis because being early is not always enough to succeed in the long run. Some pioneers lose their advantage, while some followers or adaptive firms achieve better results over time. What matters, then, is not only whether a firm internationalizes gradually or

rapidly, but also how this path fits with entry timing, contextual conditions, and post-entry adaptation.

This insight lays the theoretical groundwork for examining the competitive implications of **entry timing**, which are addressed in the following section.

2.2. Entry strategies and timing advantages

While internationalization theories explain how firms expand across borders, they say relatively little about the competitive implications of when firms actually enter foreign markets. Entry timing is a distinct strategic dimension that affects how firms access resources, position themselves competitively, and deal with competitors. The **entry timing literature** complements **internationalization theory** by focusing on what it means, in competitive terms, to enter a market early or late. In emerging markets, whose characteristics were discussed in the previous sections, the timing of a firm's entry can strongly affect how competitive outcomes develop over time. Firms that move early may be able to shape how the market develops and secure important resources, while those that wait may benefit from lower uncertainty and the chance to learn from what others have already done.

The following sections look at first-mover and late-mover advantages and discuss the risks and trade-offs that come with each.

2.2.1. First-mover advantages and late-mover advantages

First-mover advantage refers to the idea that firms which enter a market early can gain benefits that are hard for later entrants to match. Lieberman & Montgomery (1988) are among the main reference points in this literature, and they identify three main reasons why this happens: being

ahead technologically, getting to scarce resources before rivals do, and making it costly for customers to switch to someone else.

Being first on the technological side can give firms an important advantage. Entering early may allow them to build knowledge and expertise before rivals do, and in some cases to protect innovations through patents. Early entry can also help firms secure valuable resources, such as good locations, distribution networks, or supplier relationships, before competitors have the chance to do so.

These advantages can also build on each other. When pioneers manage to influence consumer expectations or shape industry standards, later entrants may find it more difficult to compete under the same conditions. In markets where formal institutions are still developing, entering early may also help firms build ties with regulators and local partners that followers will find difficult to replicate.

At the same time, the literature makes clear that these advantages are not always stable. Golder and Tellis (1993) show that many pioneers fail, and that market leaders are often early followers rather than true first movers. Robinson, Fornell and Sullivan (1992) also find that late entrants can outperform pioneers when they possess stronger marketing capabilities or more efficient operations. In a similar way, Boulding and Christen (2003) argue that early advantages may weaken once competitors imitate successful practices or when market conditions evolve in unexpected ways.

Late entrants may also benefit from timing in different ways. By observing the moves of pioneers, they can avoid some of the mistakes made in the early phase, adopt more suitable technologies, and enter with an offer that is more targeted or better adapted to market needs. Suarez and Lanzolla (2005) note that the durability of first-mover advantages depends heavily on how fast market conditions change. More recently, Chen, Ishida and Mukherjee (2021) show

that followers can also strategically choose to move into segments where pioneers failed to meet market expectations, taking advantage of precisely those gaps. This tends to happen especially in markets where firms learn a lot by watching each other and try not to repeat the same mistakes.

This becomes particularly relevant in emerging markets. Where institutions are still taking shape and few competitors are around, pioneers tend to have more room to lock in resources and get established themselves before others show up. Once regulations start shifting and more players enter, however, those early advantages can become much harder to defend. In these contexts, how much timing actually matters depends as much on the firm's capabilities as on the market conditions it faces.

Overall, what emerges from the literature suggests that neither entering early nor entering late is in itself the better choice. How pioneers and followers compare depends on how the competitive context, the institutional framework, and the resources the firm is able to deploy all come together. Timing matters, but on its own it is not enough to sustain a competitive advantage.

2.2.2. Risks and trade-offs

Entry timing always involves **trade-offs**, and in emerging markets these tend to be more significant than elsewhere. Firms that enter early take on more uncertainty and often end up bearing costs that others will not have to, such as educating consumers, building infrastructure, finding reliable partners, and figuring out how to work within a regulatory environment that may not be fully formed yet. These are often large, hard-to-reverse commitments.

In emerging markets, things are further complicated by **macroeconomic instability**. Changes in capital flows, currency fluctuations, and external shocks can shift financing conditions and

demand patterns quite quickly (International Monetary Fund. Research Dept., 2025). And while many emerging economies have made real progress in building stronger fiscal and regulatory frameworks over the past decade, the quality of institutions and governance still varies a lot from one country to another. This means that early entrants can suddenly find themselves facing unexpected regulatory changes, new policy directions, or shifting competitive rules that make it much harder to plan ahead and predict returns.

At the same time, waiting does not make things easier either. By the time late entrants move in, pioneers may have already taken the best resources, established their distribution networks, and developed a loyal customer base. In markets where early movers have had time to shape consumer expectations or set industry standards, finding a way to stand out as a follower can be genuinely hard. And in fast-growing economies, delaying entry can also mean missing out on early growth and the kind of market knowledge that only comes from actually being there.

How risky it is to enter early or late ultimately depends on how fast the environment is moving and how capable the firm is of keeping up. In fast-changing contexts, where technology, institutions, and competition all shift quickly, even strong early advantages can disappear quite quickly (Eisenhardt & Martin, 2000). In these situations, both moving too soon and waiting too long come with real costs, which creates a genuine tension between acting fast and being careful.

As illustrated earlier, the entry timing debate is not really about choosing between being a pioneer or a follower in absolute terms. The answer depends on the broader context and on what the firm is actually able to do. In emerging markets, where strong growth potential goes hand in hand with institutional instability and competitive uncertainty, timing advantages tend to be fragile. Entry timing is therefore best understood as a starting point rather than a guaranteed source of competitive advantage. This points to the importance of combining entry timing with

the ability to adapt strategically after entering, which is what the dynamic capabilities perspective discussed in the following section is about.

2.3. Adaptive firms and dynamic capabilities

The preceding discussion has shown that entry timing, whether early or late, does not in itself guarantee sustained competitive advantage. Early entrants may benefit from locking in resources, building a technological edge, or developing customer loyalty before rivals arrive. Late entrants, on the other hand, can take advantage of reduced uncertainty and learn from what first movers have already done. But neither path guarantees success on its own. Entry timing sets the initial conditions, not the final outcome, and this is an important distinction. What matters more is whether firms are able to keep adjusting as the environment around them changes.

In this thesis, **pioneers** are defined as firms that enter emerging markets at an early stage of market development. Being a first mover, however, does not automatically mean staying ahead. Even when early entrants manage to identify opportunities and establish themselves before others, the advantages they gain are often difficult to preserve over time. This is especially true in markets where regulation changes frequently, infrastructure remains uneven, and new competitors keep entering. The **dynamic capabilities perspective** is useful here because it suggests that competitive advantage is not something firms can build once and then simply protect. In volatile environments, it has to be renewed and adjusted over time. Firms that cannot reorganize their resources and routines when the environment shifts around them will eventually lose whatever edge they had, and in fast-moving contexts this can happen quite quickly (Teece et al., 1997; Eisenhardt & Martin, 2000). More recent work has taken this further by looking at how multinationals operating across very different institutional environments need these kinds of capabilities just to stay relevant, let alone ahead (Teece, 2014).

From this perspective, **market entry is only the first step**. The choices firms make at that stage, such as how they organize their activities, which partners they rely on, and how much they commit, shape much of what comes next. These decisions influence what the firm learns, which strategic options remain open, and how easily it can respond if market conditions move in an unexpected direction. Entry timing, then, creates both possibilities and limits. Whether entering early or late turns out to be beneficial depends largely on how firms manage those initial conditions afterwards.

In emerging markets, this adaptive effort is particularly important. Institutions are often unstable, regulations may be applied unevenly, infrastructure is not always reliable, and consumer demand can vary widely across segments. Under these conditions, it becomes difficult for early entrants to preserve their initial position for long. Pioneers may shape the market in its early phase, but if they fail to adjust prices, localize their offer, or rethink key partnerships, the benefits of entering first may weaken faster than expected. **Followers**, on the other hand, can sometimes make up for later entry by learning from what pioneers did wrong and coming in with a clearer sense of what actually works.

In this thesis, **adaptive firms** are defined as organizations that combine market entry, whether early or late, with the ability to notice shifts in the environment, act on new opportunities, and reorganize their resource base accordingly (Teece, 2007). This kind of adaptation can range from incremental adjustments to more significant strategic reorientations, such as reallocating capital, restructuring alliances, or modifying governance arrangements in response to institutional change.

It is important to point out that dynamic capabilities do not make uncertainty disappear. What they do is change the way firms relate to it. In environments like emerging markets, with the characteristics mentioned so far, sustained competitive advantage depends less on whether a

firm chose to enter early or late and more on what firms actually do after entering. Pioneers, followers, and adaptive firms therefore differ not only in their entry timing, but also in their ability to adjust their strategies to the institutional changes that occur over time.

The analytical focus of this thesis therefore shifts toward understanding the conditions under which entry timing decisions actually translate into sustained performance. By linking entry order with capability development and institutional embeddedness, the aim is to develop a process-oriented view of competitive advantage in emerging markets.

2.3.1. Strategic adaptation and institutional context

Dynamic capabilities matter, but how well they work depends heavily on the **institutional context** a firm finds itself in. When regulations are unclear, political priorities shift, and legal frameworks are applied unevenly, even well-established firms struggle to plan ahead. In these conditions, transaction costs increase, uncertainty becomes harder to handle, and strategies that once seemed effective may stop working quite quickly. Institutional transitions in emerging economies tend to be sudden and difficult to anticipate (Peng, 2003). A change in government, a new industrial policy, or a shift in macroeconomic conditions can reshape the competitive environment within a short period of time. Firms that take for granted that things will remain more or less unchanged often find themselves unprepared.

Staying competitive in these contexts means firms have to keep questioning their strategic assumptions and be willing to change course when the situation demands it. Adapting here is not just a matter of moving resources around internally. Firms have to deal with formal institutions such as regulatory agencies and tax authorities, but also with informal ones, including local networks, personal relationships, and cultural norms that influence how business

is actually carried out. Being able to read institutional signals, anticipate regulatory shifts, and build relational capital is not a secondary skill, but sits at the core of competing in these markets.

For early entrants, being present from the beginning can help build institutional embeddedness and contextual knowledge that late entrants will struggle to replicate. Entering early, however, comes with its own difficulties. Being present during the most unstable phases of market development means that decisions taken at entry can quickly stop fitting what the market actually requires, and this can lead to costly adjustments and leave firms with less room to adapt at the moments when doing so matters most.

This is why institutional change so often forces firms to rethink decisions that seemed settled, whether that means changing ownership structures, restructuring alliances, redesigning supply chains, or rethinking pricing. Adaptation in this sense is not just about being operationally flexible. It is about continuously realigning strategic commitments with an evolving institutional environment.

It is also worth keeping in mind that firms are not purely passive in this process. In transitional environments, they can sometimes play a role in shaping how regulations evolve and what market norms look like, for example by engaging with local stakeholders or participating in industry associations. **Strategic adaptation** therefore involves both reacting to institutional change and, where possible, actively trying to influence how that change unfolds.

How firms manage all of this goes a long way toward explaining why some pioneers, followers, and adaptive firms outperform others over time. Early entrants can develop a stronger connection with the **institutional context**, but at the same time they are more exposed to regulatory instability. Late entrants, by contrast, may benefit from a more defined environment, but they often lack the relational capital that is built only through an early presence in the market. In the end, what emerges quite clearly is that sustainable competitive advantage

depends only to a limited extent on whether a firm is a first mover or a late entrant, and much more on its ability to adapt to changes in institutions and competitive dynamics.

2.4. Competitive dynamics in emerging markets

Competition in emerging markets works quite differently from what we see in advanced economies. In mature markets, regulatory frameworks tend to be stable, contracts are enforced reliably, and market intermediaries generally do their job. In these settings, competitive outcomes are mostly driven by industry structure, resource configurations, and how firms position themselves relative to rivals.

Emerging markets have their own distinctive features. Formal rules often exist on paper but are applied in inconsistent ways, while informal norms and relational networks often play a much stronger role in shaping how business is actually conducted. Peng (2003) argues that, in these contexts, firms' strategic choices are closely shaped by institutional change, since both formal norms and informal rules significantly impact what firms are able to do. This is what the **institution-based view** of strategy aims to explain. According to this perspective, firms operate within a "strategy tripod" in which industry conditions, firm-specific resources, and institutions jointly shape strategic outcomes (Peng et al., 2008). In this sense, institutions are not just part of the background. They directly affect which strategies firms can pursue, how they gain legitimacy, and whether their competitive advantages last over time.

This matters a lot in emerging markets, where institutional development tends to be uneven and regulatory frameworks can shift. Competitive strategy in these contexts cannot be understood purely through the lens of positioning or internal capabilities. Firms also need to align their decisions with the institutional constraints and opportunities that are constantly reshaping the landscape around them.

2.4.1. Institutional voids and uncertainty

One feature that characterizes many emerging markets is the presence of **institutional voids**, gaps in the market-supporting institutions that firms in more developed economies rarely have to think about, such as efficient capital markets, transparent information systems, reliable contract enforcement, and specialized intermediaries (Khanna & Palepu, 1997).

When these are absent or only partially in place, transaction costs rise and assessing long-term risks becomes a much harder task.

In these conditions, firms tend to lean more heavily on local partnerships and informal networks to compensate for what formal institutions cannot provide. Access to distribution channels, regulatory approvals, or reliable market information can depend more on relational ties than on formal procedures. For foreign entrants who are not familiar with how these informal arrangements work, this can create real and sometimes unexpected barriers.

Institutional voids also influence how firms decide how fast and how far to expand. When regulatory enforcement is unpredictable and contractual protections are limited, early entrants tend to be more cautious and avoid committing large amounts of resources too quickly. Incremental entry modes, joint ventures, or partnership-based strategies are common ways of limiting this kind of exposure. Where institutional consolidation has progressed further, firms generally feel more comfortable making larger and longer-term investments. Institutional development therefore shapes not just the competitive landscape but also how willing firms are to engage with a market seriously in the first place.

That said, it would be wrong to treat all emerging markets as equally fragile. The World Economic Outlook (International Monetary Fund. Research Dept., 2025) shows that a number of emerging economies have made real progress in strengthening their macroeconomic policy

frameworks over the past two decades, with improvements in monetary credibility, fiscal discipline, and exchange rate flexibility helping to build resilience against external shocks. But this progress has been uneven across all economies. Some economies now have fairly stable macroeconomic conditions, whereas others remain quite vulnerable to policy changes and regulatory volatility. For multinational firms, this means that the level of systemic risk can vary a lot from one market to another. Because of this, an entry strategy may work in a consolidated institutional environment but be riskier in a context where governance structures are still fragile.

Institutional uncertainty also shapes the role of entry timing. Firms that enter early may benefit from lower competition and greater visibility, but they are also more exposed to regulatory change. Firms that come in later may find a clearer institutional framework, but they typically face stronger competition. This means that the success of pioneer, follower, or adaptive strategies depends not only on when a firm enters, but also on the stability of the host country's institutional environment.

2.4.2. Cultural and regulatory environments

Formal institutions are only part of the picture. **Informal norms** and **regulatory dynamics** also shape how competition works in emerging markets, and they are often underestimated by foreign entrants. Cultural expectations influence consumer behavior, negotiation practices, and perceptions of legitimacy in ways that formal market analysis often fails to capture fully. Early entrants that rely exclusively on standardized global approaches without paying attention to local practices and social norms often run into resistance that is hard to explain purely in competitive terms. Gaining local legitimacy takes time and genuine effort, and usually involves some degree of adaptation, relational investment, and sensitivity to how things work informally on the ground.

Regulatory systems in emerging markets are also rarely fully settled. Governments may introduce foreign ownership restrictions, adjust industrial policies, or provide formal or informal support to domestic firms in ways that are not always easy to anticipate. These moves can change competitive conditions quite quickly and create uncertainty for firms that have already invested substantial resources.

In these contexts, foreign firms also face what Zaheer (1995) describes as a **liability of foreignness**, referring to the additional costs and disadvantages of operating in an unfamiliar institutional environment without strong local roots. Domestic competitors usually hold important advantages, especially in terms of local knowledge, established relationships, and easier access to political and institutional networks. For foreign entrants, this can make competition more difficult and may weaken the value of advantages such as technology or brand reputation.

Putting all of this together, institutional voids, differences in governance quality, regulatory evolution, and the liability of foreignness all combine to define what competition in emerging markets actually looks like. It is not determined solely by market attractiveness or growth rates. It also depends heavily on how consolidated the institutional environment is and how the balance of advantages between foreign and domestic firms plays out over time.

Competitive dynamics, in emerging markets, do not depend only on the timing of entry, but also on the context in which firms operate. In particular, two elements play a central role: on the one hand, the stability of institutions and the quality of governance, and on the other, the competitive imbalance between foreign firms and local actors. Different conditions emerge from the combination of these factors, and these can make pioneer, follower, or adaptive strategies more or less advantageous over time. In particular, it can be observed that when the institutional context is more solid, entering early generally involves lower risks related to

regulatory changes. By contrast, in more unstable environments, strategies based on flexibility and on the ability to build stronger local embeddedness tend to be more effective. This contextual perspective provides the analytical basis for the distinctions developed in the following section.

2.5. Pioneers, Followers and Adaptive firms

The sections above have shown that competing in emerging markets is more complex than traditional frameworks tend to assume. Institutional heterogeneity, governance instability, and competitive asymmetries all shape how firms perform, and they do so in ways that are difficult to separate from one another. In this picture, entry timing matters, but it is not enough on its own to explain why some firms do better than others. How firms respond to the institutional environment around them turns out to be just as important, and on this front, the differences across firms are significant.

The existing literature has tended to look at these issues separately. First-mover advantages, late-mover strategies, and dynamic capabilities have each been studied in depth, but rarely together. Firms in emerging markets, however, do not have the luxury of dealing with one challenge at a time. They face all of them at once, and how they manage that combination is what drives the differences in outcomes. To make sense of this, the present section proposes three strategic profiles: pioneers, followers, and adaptive firms. These are not just different entry moments. They represent different ways of dealing with institutional uncertainty, with different priorities and different ideas about what kinds of risks they are prepared to accept.

2.5.1. Conceptual distinctions and comparative advantages

Emerging markets are not simply developed markets at an earlier stage of growth. The rules of competition are still being worked out, regulations can shift in unexpected directions, and

formal rules and actual business practice are often quite different. All this shapes what competing in these markets actually means, and it does so in ways that vary depending on how a firm decides to engage.

Firms that act as pioneers enter the market when the competitive landscape is still taking shape, and the future structure of the market remains uncertain. The reasoning behind this is well established: entering early can give firms access to key resources, allow firms to established before competitors show up, and make it harder for those who come later to close the gap (Lieberman & Montgomery, 1988). Entering at this stage also gives firms the opportunity to influence the evolution of the market itself, instead of adjusting to patterns and structures that have already been set by others. This logic, however, has its limits. Suarez and Lanzolla (2005) have shown that being first does not necessarily translate into a lasting advantage, especially in contexts where change is rapid.

Institutional instability makes early entry even more complex in emerging markets. Regulations may be revised, their implementation may vary over time, and the factors that once made early entry attractive may quickly lose their relevance. Pioneers therefore trade lower initial **competitive pressure** for greater exposure to this kind of uncertainty, and how that trade-off plays out depends on how quickly the environment stabilizes around their initial position.

Followers tend to be **more cautious**. Instead of entering the market at the most uncertain stage, they wait, observe what happens to early entrants, and use that experience to decide when and how to enter. This can give them an important advantage, because by the time they move, they often have information that pioneers had to acquire through direct experience and at considerable cost (Robinson et al., 1992). They are usually in a better position to understand which regulatory risks are relevant, what consumers actually expect, and what is needed to operate effectively in that specific market.

However, the difficulty is that market conditions continue to evolve while followers wait. During that time, pioneers can strengthen their position in ways that are difficult to copy. They may develop relationships with local distributors, gain practical knowledge of how regulation works in the local context, and build trust with local partners by having already operated through the more difficult early phase. As a result, when followers finally enter, the most attractive positions may no longer be available, and competing with firms that arrived earlier may be far more difficult than it initially appeared.

Adaptive firms think about the problem differently. Instead of asking when to enter, they ask how to build an organization that can keep adjusting as the situation changes. The **dynamic capabilities** literature provides a useful framework here: firms that can spot changes in their environment, reorganize their resources in response, and adapt how they operate to local conditions are better placed to maintain their competitive position over time (Teece et al., 1997). In emerging markets, where conditions often continue to change long after entry, the ability to adjust over time becomes a central requirement for firms. For this reason, adaptation should not be seen as a secondary capability, but rather as an essential part of competing in these environments.

Compared to pioneers, adaptive firms may not benefit from all the advantages linked to early entry. Compared to followers, however, they do not simply wait for conditions to become clearer. Instead, they seek to understand the local environment more deeply, build relationships with regulators, connect with local networks, and treat these activities as an important part of their strategy. Over time, this approach helps firms build a stronger and more resilient position in the market, because their presence is reinforced through continuous interaction with the local context rather than depending only on entry timing.

Looking at these three profiles together, it becomes clear that firm performance in emerging markets cannot be explained by timing alone. Entering early may help firms gain an initial advantage, but it can also expose them to greater uncertainty. Waiting allows firms to learn from what early entrants have already experienced, even though competition may become stronger over time. In other cases, success depends less on entry timing itself and more on what firms do after entry. In emerging markets, outcomes are shaped by the way timing, institutional conditions, and adaptation come together over time.

This also helps frame the three sub-questions of the thesis, which look at how entry timing, institutional conditions, and post-entry adaptation shape competitive outcomes.

2.5.2. Research gap and positioning of the thesis

Research on first-mover and late-mover advantages has produced a rich body of work over the years (Lieberman & Montgomery, 1988), but most of it was developed in contexts that look quite different from emerging markets. In developed economies, institutions tend to be stable, governance is relatively predictable, and the regulatory environment does not usually shift in ways that fundamentally alter competitive dynamics from one year to the next. In these settings, researchers can study entry timing without worrying too much about institutional conditions, because those conditions do not change enough to drive the results. In emerging markets, that assumption simply does not hold. The institutional environment is not something that can be held constant: it is one of the main things that needs to be explained, and treating it otherwise produces findings that are difficult to apply.

The dynamic capabilities perspective is better suited to volatile environments, and for this reason it offers a more relevant starting point for thinking about emerging market competition (Teece et al., 1997). The emphasis on sensing change, reconfiguring resources, and adapting

operations maps reasonably well onto the organizational demands that institutional instability creates. What this framework tends to leave open, however, is the question of how different levels of institutional development actually change the conditions under which organizational flexibility pays off. Adaptability is clearly an important element, but the literature does not always explain in a precise way under which conditions it becomes more important than other strategic factors.

A partial answer comes from the **institution-based view**, which shows that formal and informal institutions do not simply form the background of firm behaviour, but actively influence strategic choices (Peng et al., 2008). This perspective has been useful in explaining how firms seek legitimacy, deal with regulatory actors, and operate in unfamiliar environments. At the same time, however, it has not always been closely connected to the question of entry timing. As a result, the institutional side of the problem and the strategic side have often been analysed separately.

What is still lacking is a framework able to connect these elements. The three perspectives discussed above all offer relevant insights, but none of them alone is sufficient to explain what happens when entry strategy, institutional conditions, and firm capabilities interact in emerging markets characterized by uncertainty, heterogeneity, and continuous change. This thesis takes those interactions as its central concern. By treating entry timing, institutional dynamics, and adaptive capacity as connected rather than separate, it seeks to build a more complete picture of how firms compete in emerging economies and what makes the difference between those that succeed and those that do not.

3. Conceptual Framework and Analytical Model

3.1. Definition of key concepts

Chapter 2 has shown that the performance effects of international market entry cannot be explained simply by comparing pioneers and followers. In emerging markets, firm performance is influenced by a combination of factors, especially entry timing, institutional conditions, and the ability of firms to adapt over time. This becomes even more important in contexts where markets are still evolving, institutions are changing, and regulation is not yet fully stable. Starting from these ideas, this chapter introduces the analytical framework used in the empirical part of the thesis and provides the conceptual basis for addressing the three sub-questions.

This thesis distinguishes between three main strategic orientations: **pioneer**, **follower**, and **adaptive** strategies. In practice, firms may show more than one of these tendencies over time, so the categories are used here as analytical tools rather than fixed labels. Together, they reflect the three main dimensions of the thesis: **timing**, **context**, and **post-entry adaptation**.

A **pioneer** strategy refers to entry at an early stage of market development, before major competitors have consolidated their position and before the competitive and regulatory environment has fully taken shape. What matters here is not only entering early, but also the level of commitment attached to that decision. Firms following this strategy invest early in assets, partnerships, organizational structures, and market positioning. In line with first-mover theory, this can create important advantages, such as easier access to key resources and reputational benefits. At the same time, these advantages are not guaranteed and depend strongly on the stability of the external environment (Lieberman & Montgomery, 1988).

A follower strategy, in contrast, involves entering the market later, once an initial phase of development has already taken place. **Followers** enter when some degree of institutional clarification and competitive structure is already present. This can give them important benefits, since they are able to learn from the experience of earlier entrants and face lower levels of ambiguity (Robinson et al., 1992; Suarez & Lanzolla, 2005). In this study, follower status is evaluated in relation to the timing of major competitors and to the maturity of institutional conditions at the moment of entry.

An **adaptive** orientation refers to the firm's ability to adjust its strategy over time. According to the dynamic capabilities perspective, adaptation means that firms modify governance structures, partnerships, localization strategies, and resource configurations in response to institutional and competitive change (D. J. Teece et al., 1997; D. J. Teece, 2007). Unlike pioneer and follower strategies, which mainly refer to the moment of entry, adaptation focuses more on what happens after entry and on how firms respond as conditions evolve.

The strategies do not emerge in isolation, but within an institutional setting that plays an active role in shaping firm behaviour. In line with the institution-based view, institutions are considered more than simple contextual conditions, since they influence and constrain strategic decisions in important ways (Peng, 2003; Peng et al., 2008). The study focuses in particular on institutional volatility, which includes repeated changes in regulation, shifts in policy, and uneven enforcement of rules, all of which can alter competitive conditions over time.

Within this framework, sustained competitive advantage is not defined as immediate success after entry, but as the ability to maintain a strong position over time despite institutional change and increasing competitive pressure.

3.2. Conceptual model: Strategy, Context and Performance

Based on these concepts, the analytical framework suggests that competitive outcomes in emerging markets are shaped by the interaction between entry strategies, institutional conditions, and firms' ability to adapt over time. This means that **timing alone is not enough to explain performance**. The context of entry also matters, together with the firm's ability to adjust after entry.

Pioneer firms may gain important benefits at the beginning of their market presence, for example, greater visibility, access to relevant resources, and a stronger degree of embeddedness in the local context (Lieberman & Montgomery, 1988). However, at the same time, emerging markets are often characterized by regulatory changes and evolving governance structures. In such conditions, early commitments can also increase firms' exposure to institutional uncertainty. As a result, advantages of early entry may decline when regulatory conditions change or when competition evolves in unexpected ways.

Follower firms, by contrast, enter the market when conditions are usually more defined. Lower uncertainty can help these firms make better strategic decisions. At the same time, entering later also means competing with firms that may already have gained legitimacy, developed a stronger market knowledge, and built solid relationships. For this reason, followers usually face less uncertainty, but more competitive pressure. However, later entry may also become an advantage when firms are able to learn from earlier entrants and align their strategy more effectively with local conditions.

In this way, the institutional context plays an important role in shaping the relationship between entry timing and firm performance. In relatively stable environments, early positioning is more likely to turn into a lasting structural advantage. In more volatile environments, by contrast, the

durability of these early advantages becomes less certain. The institution-based view shows that strategic outcomes cannot be separated from the evolution of the formal and informal rules that shape market interactions (Peng et al., 2008).

Adaptive capability also plays an important role in this context. Firms are often better able to remain competitive when they can reassess previous commitments, modify governance structures, adjust partnerships and realign their organization (Teece, 2007). In highly dynamic institutional contexts, adaptability may become more important than entry timing itself.

Starting from these considerations, the framework is built around three interrelated mechanisms. The first concerns the role of entry timing in defining the firm's initial strategic position. The second refers to the influence of the institutional context on the stability of that position over time. The third relates to the firm's adaptive capability, which is its ability to maintain, adjust, or renew its position as market conditions evolve. Together, these three mechanisms help explain why firms that enter under similar conditions may still experience different competitive outcomes over time, and they also provide the basis for addressing the three sub-questions of this thesis, namely how entry timing, institutional conditions, and post-entry adaptation shape competitive outcomes in emerging markets.

3.3. Research expectations

Based on this framework, the empirical analysis is guided by a set of research expectations about how entry timing, institutional conditions, and firms' adaptive capabilities interact in shaping competitive outcomes over time.

First, **early market entry is expected to produce more lasting competitive advantages in relatively stable institutional environments.** When regulation is more stable and governance is more predictable, early resource commitments are more likely to develop into structural

advantages rather than being undermined by sudden policy changes (Lieberman & Montgomery, 1988).

Second, in more institutionally volatile contexts, **the sustainability of competitive advantage is expected to depend less on entry timing and more on the firm's ability to adjust its strategy over time.** When regulatory developments remain uncertain, firms that are better at adapting are often in a stronger position to stay competitive over time. This may involve changing governance structures, partnerships, or localization strategies (Teece, 2007).

Third, **follower strategies are expected to work better when institutional uncertainty decreases and when early entrants have not already established strong advantages that are difficult to overcome.** In these situations, the possibility to learn from earlier entrants and to make more selective commitments may compensate for the absence of early pre-emption opportunities (Robinson et al., 1992; Suarez & Lanzolla, 2005).

More generally, the framework suggests that sustained competitive advantage in emerging markets does not depend only on entry order, but also on how well firms' strategic choices fit the changing institutional environment. These expectations also connect to the three sub-questions of this thesis, which focus on entry timing, institutional conditions, and post-entry adaptation. The following chapters examine how these dimensions emerge across the eight cases.

4. Research Design and Empirical Analysis

This chapter presents the empirical part of the study and examines how entry timing, institutional context, and firms' adaptive capabilities interact in shaping competitive outcomes in emerging markets. Building on the framework developed in Chapter 3, this part of the

analysis looks at how different firms in the sample entered their respective markets and how their strategies evolved as conditions of the market evolved.

The study examines eight firms across different industries and markets. Comparing these cases makes it possible to explore the conditions under which early entry produces a lasting advantage, when a follower strategy may be more effective, and when the ability to adapt ends up making the biggest difference. The purpose is not to argue which approach is always better than another, but rather to understand how different strategies perform under different institutional conditions.

The chapter is organized into several steps. The first section explains the research approach and the main methodological choices behind it. The second section describes how the cases were selected and the composition of the sample. The cases are then analyzed in four groups: pioneers, followers, adaptive firms, and failure cases. The chapter concludes with a cross-case comparison that brings together the main findings.

4.1. Research approach and methodology

This study uses a **qualitative comparative case study** approach to examine how firms' entry strategies develop across different institutional environments in emerging markets. This method is appropriate for the purpose of the study, since it makes it possible to look at strategic processes that develop over time and in different contexts. By comparing several cases, the study tries to understand how firms deal with uncertainty in emerging markets, and why firms that operate under apparently similar conditions may still reach different outcomes.

More specifically, the empirical part focuses on three closely connected dimensions: **entry timing, institutional context, and post-entry adaptation**. These three dimensions are treated as closely connected, because it is their combination that shapes competitive outcomes. Rather

than looking at these elements separately, the study examines how they interact over time and influence firms' strategic trajectories.

The unit of analysis is the firm's strategic trajectory within a specific emerging market. This means that the analysis does not stop at the entry decision, but it goes beyond it, following what firms did afterwards, especially how they reacted to regulatory changes, shifts in competition, and broader institutional developments. In this way, it becomes possible to see whether early advantages lasted, weakened, or were rebuilt over time through later adjustments.

To keep the comparison consistent, each case is examined through the same main dimensions: timing, context, adaptation, and outcome. The aim is not to produce statistically generalizable results, but to develop a clearer understanding of the conditions under which different strategic approaches lead to different competitive outcomes in emerging markets. The following section explains the logic of case selection and the composition of the sample.

4.2. Case selection and description of the sample

The cases were selected in order to capture different combinations of entry timing, institutional environments, and strategic responses. The aim was not to build a statistically representative sample, but to include firms that reflect meaningfully different ways of entering and competing in emerging markets. This follows a purposive selection logic and is consistent with the theory-guided nature of the study.

The final sample includes eight firms from different industries and geographical settings. This number was considered sufficient to ensure variation across strategic profiles and market contexts, while still allowing for a qualitative comparison in enough depth. Some entered their markets early and made strong commitments from the beginning. Others entered later, after the initial phase of uncertainty had already passed. Some relied heavily on their ability to adapt

over time, while others struggled to maintain their position, which also provides useful insights for the analysis. The diversity of the sample makes it easier to examine how similar strategic questions may lead to different outcomes depending on the institutional context.

In addition, case selection was influenced by an important issue: data availability. Strategic entry decisions, post-entry adaptations, and the longer-term evolution of firms in foreign markets are often difficult to reconstruct through primary sources. Companies usually do not disclose much information about internal decision-making, unsuccessful adaptations, or the reasons behind major strategic changes. This is especially true in cases involving failure or strategic reversals. For this reason, the study focused on cases for which sufficiently credible secondary material was available, especially from official company sources, academic publications, and more established business press sources.

This choice may also have introduced a degree of selection bias. Firms with more visible and better-documented internationalization paths were easier to include, while other potentially relevant cases had to be left out because too little reliable material was available. For this reason, the sample should not be seen as representative of all firms entering emerging markets, but rather as a set of cases selected under clear data constraints.

The host markets considered in this chapter also vary in several relevant respects, especially in terms of regulatory stability, market maturity, and overall institutional development. This makes it possible to see more clearly how firms react when the surrounding environment changes over time. For this reason, the four categories adopted in the chapter are not meant as rigid classifications, but as analytical categories that support the comparative analysis. In practice, some firms may show characteristics that overlap across more than one category.

4.3. Pioneers

Pioneer firms are those that enter a market at an early stage, when competition is still not fully developed, and regulation remains unsettled. This can give them an initial advantage, for example by allowing them to build visibility early and secure important resources or partnerships before other firms do. At the same time, entering early in an emerging market also means operating in a context marked by a high degree of uncertainty. Demand may still be developing, the regulatory environment may continue to shift, and the competitive landscape may look very different only a few years later.

In the framework developed in Chapter 3, pioneer strategies are understood as a form of early commitment in a context of institutional uncertainty. This means that entering first is not enough by itself. What matters is also what happens afterwards, especially whether the market develops in a way that supports the firm's early position and whether the firm is able to adapt instead of relying too much on its initial assumptions. The cases discussed below show that pioneer strategies can lead to very different outcomes, and that these differences depend less on early entry itself than on how firms respond after entry.

4.3.1. Uber in India

Uber's entry into India is a clear example of a pioneer strategy in a market marked by both strong growth potential and high institutional uncertainty. The company entered India in August 2013, starting from Bangalore, which made the country one of Uber's earliest major expansions into an emerging market (Uber, 2013). At the time Uber entered India, the market was still far from stable. Urban transport was fragmented, ride-hailing apps had not yet become a fully established part of everyday mobility, and the rules governing digital platforms were still unclear. This gave Uber an obvious opening: it could move before the market became more

structured and try to grow quickly in a large and fast-expanding urban context. At the same time, that opening also involved clear risks. Because the institutional environment was still unsettled, Uber's early presence depended on factors that were not yet solid, including regulatory acceptance, public expectations, and broader market legitimacy.

This became particularly clear in late 2014, when Uber was involved in a major safety incident in New Delhi that led to strong public criticism and regulatory backlash (Kalra & Menon, 2014). In the context of this thesis, the relevance of this episode is not only reputational. It also shows that entering early in an institutionally uncertain environment can increase a firm's exposure rather than automatically lead to a lasting advantage. As a foreign platform operating in a market where regulatory expectations and public trust were still taking shape, Uber was also affected by the **liability of foreignness**, which made the effects of its early visibility even stronger. Pioneer positioning created opportunities, but it also made the company more vulnerable when legitimacy and institutional acceptance had not yet stabilized.

This case is especially relevant because Uber's early position did not remain tied to a standardized global model. Instead, the company gradually adjusted its business model to local market conditions. One important adjustment concerned the payment system. In 2015, Uber introduced cash payments in response to the still limited use of card-based transactions, which lowered an important barrier to adoption and made the platform accessible to a wider group of users (Mrina Natarajan, 2016). A second adjustment concerned local mobility patterns. In the same year, Uber also expanded into auto-rickshaw services, adapting its offer to a form of transport that was already common in everyday urban mobility across Indian cities (Najar, 2015). Later, in 2020, it also introduced e-rickshaw services in order to improve first- and last-mile connectivity and respond more closely to local mobility needs

(IndiaSA Comms Team, 2020). Overall, these changes show that **early entry alone was not enough**. To remain relevant, Uber had to adjust some of its initial assumptions to local demand patterns and infrastructural conditions. This was possible because its platform model was flexible enough to incorporate local changes without requiring a complete strategic reorganization.

Another important point concerns competitive adaptation. Even after reaching a broad market presence, Uber could not rely on scale alone as a lasting advantage. By 2021, the company reported operating in more than 100 Indian cities, which shows the scale it had achieved in less than a decade after entry (IndiaSA Comms Team, 2021). Still, this expansion did not remove the need for further strategic adjustment. In 2025, Uber changed its tuk-tuk segment by moving to a subscription-based model in response to growing pressure from local competitors such as Rapido and Namma Yatri (Haripriya Suresh, 2025). This suggests that early entry created an opportunity, but not a protected position. As local competitors grew stronger and market conditions changed, Uber's initial advantage had to be constantly defended and adjusted.

Uber in India therefore shows that pioneer positioning did not automatically become a secure market position. Its long-term position depended on the company's ability to keep adjusting as local conditions changed. Over time, Uber could not operate simply as a standardized global platform, but had to become more closely connected to the local mobility context.

4.3.2. Netflix in Brazil

Netflix's expansion into Brazil represents a pioneer strategy that was gradually turned into a relatively durable competitive position. The company launched its streaming service in Brazil in 2011, as part of its first large move into Latin America, entering a market in which subscription streaming was still at an early stage and the competitive structure of the sector had

not yet fully consolidated (Silva & Lima, 2022). At that time, in Brazil, piracy was still widespread, broadband quality was uneven, and cable and television providers still had a strong position in the market. This gave Netflix the chance to gain visibility early, but it also meant operating in a context where digital consumption habits were still developing, and the industry itself was still changing.

This case is particularly relevant because Netflix's pioneer position did not remain limited to being an early entrant. The company gradually strengthened its presence by becoming **more embedded in the local market** and by investing more directly in Brazil, especially through local productions and a stronger operational structure.

This became even clearer in later years. In 2026, Netflix marked fifteen years in Brazil by opening a larger office in São Paulo and presenting the country as a key market for its creative and production activities. The company also stated that its Brazilian team had grown by 20 percent in 2025 and that it had worked with more than 40 Brazilian production companies over the previous three years (Netflix, 2026). These developments suggest that Netflix did not try to preserve its early advantage through timing alone. Instead, it sought to stabilize that position by becoming more deeply integrated into the local production environment.

The competitive importance of this trajectory is also supported by academic evidence. Research published in Telecommunications Policy finds that Netflix's rise in Brazil was associated with measurable pressure on the incumbent **cable television industry**. The study points out that Brazil became one of Netflix's largest markets and connects the platform's growing popularity to a significant decline in cable TV subscriptions, which started from 19.4 million, suggesting that Netflix did not simply add another entertainment option but also contributed to changing the structure of the market itself (Silva & Lima, 2022). For this thesis, this matters because it shows that pioneer strategies in emerging markets can have more lasting effects when early

positioning is followed by sustained market development rather than by short-term expansion alone.

At the same time, the Brazilian case also shows that even relatively successful pioneers remain exposed to institutional constraints over time. In 2025, Netflix reported that a major tax dispute in Brazil had affected its quarterly results, showing that early entrants in emerging markets are not free from regulatory exposure simply because they have already built a strong market position (Richwine, 2025). This does not undermine the interpretation of Netflix as a relatively successful pioneer case. On the contrary, it supports one of the main arguments of this thesis: early advantages are more likely to last when firms combine early entry with continued localization, adaptation, and stronger embeddedness in the host market.

Netflix in Brazil therefore shows how an early advantage can become more durable when it is supported by sustained local integration.

4.3.3. Synthesis: Lessons from Pioneer Strategies

The two cases discussed above point in a similar direction. Both Uber and Netflix entered their markets at an early stage, when competition was still relatively open. This gave both companies early visibility and an initial market position. In both cases, however, early entry was not enough by itself to secure a lasting advantage. What mattered more was how each firm dealt with the conditions that emerged after entry.

The comparison also shows that **pioneer strategies do not follow one single path**. In India, Uber's position remained fragile for a long time because the company had to deal with regulatory pressure, legitimacy issues, and the repeated need to adjust its business model. In Brazil, by contrast, Netflix followed a different path. By investing in local production and

treating Brazil as a strategic market, it was able to turn early entry into a more stable long-term position.

Taken together, these two cases support the argument developed in Chapter 3: entering early can create an initial advantage, but this is rarely enough on its own. Whether that advantage lasts depends on the institutional environment and on the firm's ability to adjust its initial model as the market changes.

4.4. Followers

Follower strategies refer to firms that enter a market after an initial phase of development, when part of the uncertainty has already been reduced and the behavior of earlier entrants can be observed. This delayed position may offer important advantages, including the possibility of learning from earlier market experiments, avoiding some of the adjustment costs borne by pioneers, and calibrating commitments more selectively. Entering later may also mean facing stronger competitive pressure, because market structures may already be more consolidated and some important positions may already have been taken.

In the framework developed in Chapter 3, follower strategies can be seen as a form of delayed commitment under conditions of lower institutional ambiguity but stronger competitive pressure. Firms that enter in this way usually have more information, but fewer opportunities to shape market development.

4.4.1. Starbucks in Vietnam

Starbucks' entry into Vietnam is a good example of a follower strategy shaped by selective timing and gradual commitment. The company entered the Vietnamese market in 2013, opening its first store in Ho Chi Minh City through a licensing partnership with Hong Kong Maxim's

Group rather than through a direct and rapid standalone expansion (Starbucks, 2013b). This entry mode is important because it suggests that Starbucks did not see Vietnam as a market to enter aggressively as a pioneer, but rather as one in which local knowledge, partnership-based entry, and a more measured commitment were strategically more appropriate.

Vietnam offered clear growth potential, but it also had **strong cultural specificity**. Coffee consumption was already deeply rooted in everyday social life, and local coffee traditions were well established. Entering later allowed Starbucks to avoid part of the uncertainty faced by pioneers and to observe how an international premium coffee brand could position itself in a market strongly shaped by domestic consumption habits and established local players (Starbucks, 2013, Korea Times, 2026). In this sense, Starbucks' timing was not simply delayed. It reflected a more cautious form of market entry carried out under conditions that were already easier to interpret.

This case is important because entering later did not automatically give Starbucks a strong market position. The company built a visible presence in Vietnam, but its position remained limited by the weak fit between its strategy and the local market.

By 2023, ten years after entering Vietnam, Starbucks had 92 stores across 8 cities and provinces and more than 1,200 employees. Later that year, it opened its 100th store in the country (Starbucks, 2023a; Starbucks, 2023b). This points to a solid level of consolidation built through gradual expansion rather than through early entry. However, entering later reduced uncertainty without giving Starbucks enough local embeddedness to turn visibility into stronger market influence.

At the same time, the case also shows that follower strategies remain limited when local fit is not developed more actively after entry. Starbucks entered the Vietnamese coffee market with a strategy based on premium positioning and partnerships. This gave the company visibility,

but its position in the market remained limited. Local chains were still closer to everyday consumer habits and more aligned with robusta-based preferences (Korea Times, 2026).

For this reason, Starbucks in Vietnam can be seen as a follower case in which entering later helped the company grow in a controlled way but it was not enough to give the company a deeper influence in the market. Its relative success came from the fact that it entered when conditions were easier to understand and then expanded gradually. At the same time, the case also shows the limits of delayed entry: when growth is mainly partnership-based and the brand remains strongly premium, it becomes harder to build real local embeddedness.

4.4.2.IKEA in India

IKEA's entry into India can be read as a follower strategy built on delayed commitment, regulatory alignment, and strong investment after entry. Although IKEA had been interested in the Indian market for several years, it opened its first store only in August 2018 in Hyderabad, after a long phase of regulatory changes and repeated delays (IKEA, 2018). This long preparatory phase suggests that the company was not trying to enter as a first mover. Rather, it chose to wait until the institutional setting became clearer before committing major resources.

India combined strong growth potential with important **institutional constraints**. Rapid urbanization, demographic growth, and the rise of a more consumption-oriented middle class made the market attractive. At the same time, an early move would have involved considerable risk. Foreign direct investment rules were restrictive, local sourcing requirements were demanding, and both real estate and infrastructure created additional difficulties. For this reason, IKEA's decision to wait should not be seen simply as caution. It was also a way to avoid a large commitment before the market became easier to navigate.

What makes the case relevant is that, once IKEA entered, it did not do so in a weak or hesitant way. On the contrary, delayed entry was followed by a strong commitment. This is visible in IKEA's expansion strategy, in its purchase of land in Bengaluru before opening further stores, and in its emphasis on domestic sourcing through the "Make more in India" initiative, which brought local suppliers into the company's broader value chain (IKEA, 2017; IKEA, 2022). In this sense, waiting did not lead to a weak presence. Instead, it created the conditions for a stronger form of embeddedness after entry.

At the same time, the case also shows that follower strategies are never automatically successful. Waiting may reduce some of the uncertainty that pioneers face, but it also means entering a market where both local and international competitors are already active and where important structural constraints are still present. In India, IKEA's later entry worked not simply because regulation had become clearer, but because the company used that delay to build a model that was more in line with local sourcing expectations and ownership rules. The value of waiting, then, depended largely on how that time was used.

More recent developments support this interpretation. In 2026, Reuters reported that IKEA planned to more than double its investment in India to around \$2.2 billion over five years, expand from six to thirty stores, and continue growing both its online and physical retail operations (Paramasivam, 2026). This suggests that waiting gave IKEA better conditions for long-term expansion, once institutional and logistical conditions had improved. In India, later entry mattered because the company used that time to prepare more carefully and to enter under better conditions. Its relative success did not come simply from entering later, but from the way it used that delay to match its large-scale commitment to local regulatory and market conditions.

4.4.3.Synthesis: Lessons from Follower Strategies

These two follower cases suggest that entering later can become a strategic advantage, but only under certain conditions. Both Starbucks and IKEA entered after part of the initial uncertainty had already been reduced, and in both cases later entry allowed a more selective form of commitment than would probably have been possible at an earlier stage. At the same time, the comparison also makes clear that follower strategies do not automatically lead to strong outcomes.

The main difference lies in how the two firms used the time before entry. For Starbucks, entering later made expansion more controlled and reduced part of the uncertainty of the initial phase. Yet this was not enough to give the company a stronger role in the market, because its fit with local consumption patterns remained limited. IKEA used the delay differently; its delayed entry was followed by substantial investment and by a closer alignment with local regulatory and sourcing conditions. This comparison shows that follower strategies become useful not only to reduce risk but also to build a more solid position that fits the local market more closely.

Taken together, the two cases show that follower advantage in emerging markets is never automatic. Entering later may improve timing, but this becomes an advantage only when firms are able to use lower uncertainty to build a better local fit, commit more selectively, and establish a stronger position after entry.

4.5. Adaptive firms

Adaptive firms are defined less by the exact moment of entry than by their ability to revise and realign strategy as market conditions change. In emerging markets, institutional frameworks,

consumer expectations, and competitive pressures often change quickly. In this context, the ability to adjust becomes particularly important. Adaptive firms do not rely mainly on the advantages of entering early or on the caution of entering later. Instead, they try to remain competitive by adjusting continuously, staying flexible, and responding to local conditions. In the perspective developed in this thesis, adaptive strategies can therefore be understood as a continuous effort to keep the firm aligned with its environment.

Their importance lies in showing that competitive advantage in emerging markets may depend less on the initial entry decision than on the ability to modify commitments, reconfigure resources, and remain responsive to institutional change over time. The following cases show how adaptation can become a central mechanism through which firms preserve relevance and strengthen their position in volatile contexts.

4.5.1. Unilever in Indonesia

Unilever's trajectory in Indonesia shows an adaptive strategy shaped less by entry timing than by the firm's ability to remain aligned with local market conditions over time. Although the company has maintained a long-standing presence in the country and developed a substantial local footprint, with more than 40 brands and nine factories, its competitive position cannot be explained simply by early commitment (Unilever Indonesia, n.d.). Rather, it reflects a **process of continuous adjustment** through which the firm adapted its market approach to the specific characteristics of the Indonesian environment.

Indonesia offered significant growth potential, but it also presented a demanding operating context for multinational firms. As an archipelagic country with strong regional diversity and a highly fragmented retail structure, Indonesia required more than the simple transfer of a standardized global model. Consumer-goods companies had to respond not only to

geographical dispersion and differences in demand, but also to a distribution system in which small independent stores still played a central role. Under these conditions, competitive advantage depended not only on scale, but also on the ability to adapt products, brands, and distribution choices to local market conditions (Magni et al., 2015).

An important part of this adaptation was the **distribution system**. In Indonesia, consumers were reached not only through large retail channels, but also through many small independent stores, especially outside the biggest cities. For this reason, Unilever's competitiveness did not depend only on its products and brands: it also depended on the company's ability to distribute them effectively in such a fragmented market. This shows that adaptation in Indonesia was not limited to product choices, but also involved the way the company organized its presence in local retail.

This is what makes Unilever's Indonesian case especially significant. Rather than relying only on the strength of an international brand portfolio, the company gradually consolidated its position through deeper **market adaptation**. Its strategy combined scale and operational continuity with closer sensitivity to domestic consumption patterns, while its extensive manufacturing base and broad brand presence supported a more embedded position within the national market (Unilever Indonesia, n.d.). In this sense, adaptation did not concern products only. It also involved the way Unilever adjusted its brands, distribution system, and overall market presence to the specific characteristics of Indonesia.

At the same time, the case shows that adaptation is never complete once and for all. Even firms with a strong local presence can face new pressure when competition intensifies, consumer expectations shift, or wider social dynamics begin to matter more.

Recent developments show this quite clearly, when Unilever Indonesia faced stronger pressure from local competitors, greater price sensitivity, and boycott-related tensions, all of which weakened its position and pushed the company to make further changes (Naidu et al., 2025). This part of the case is important because it shows a simple point: even firms with a strong local presence remain exposed when market conditions start to shift. Local embeddedness can help, but it does not remove the need to react.

Seen in this way, the Indonesian case is not mainly a story about early entry. What matters more is that Unilever kept modifying its approach as the market changed. Its position was not guaranteed once it had been established but had to be maintained through repeated responses to fragmented demand, changing consumer behaviour, and increasing competitive pressure. More broadly, the case suggests that, in emerging markets, adaptive strength depends less on timing than on the ability to keep adjusting as conditions change.

4.5.2.L'Oréal in India

L'Oréal's trajectory in India shows an adaptive strategy shaped less by entry timing than by the company's ability to align its market approach with the specific characteristics of a large and highly differentiated emerging economy. Although L'Oréal has been present in India since 1994, its competitive position cannot be explained simply by early commitment. Rather, it reflects a gradual process of adjustment through which the company expanded across consumer segments, distribution channels, and local capabilities in response to the changing structure of the Indian market (L'Oréal India, n.d.).

The Indian case is particularly significant because it required more than the transfer of a standardized premium beauty model. India is characterized by major differences in income levels, consumption patterns, and distribution structures, which makes demand highly

heterogeneous. L'Oréal responded to this complexity by developing a presence across different channels, including mass-market, professional, selective, pharmacy, and fragrance segments, supported by a **broad brand portfolio** distributed through both online and offline networks (L'Oréal India, n.d.). This suggests that L'Oréal's position in India depended on its ability to address different forms of demand, rather than focusing on a single market segment. Company sources also describe India as a market characterized by rapid digital growth and rising demand in both accessible and premium beauty categories, which further confirms the importance of strategic flexibility (L'Oréal, 2023).

Another important part of this adaptive trajectory concerns **local capability building**. L'Oréal's position in India was supported not only by the strength of its international brands, but also by a more solid local presence based on production, research, and organizational development. The company reports two manufacturing facilities in India, in Chakan and Baddi, as well as Research and Innovation facilities in Mumbai and Bengaluru, and it also states that 90 percent of its production is local (L'Oréal India, n.d.). This is important because it shows that adaptation went beyond market access and also involved building capabilities that were more closely connected to the local environment. The creation of research capacities focused on Indian hair and skin specificities also suggests that adaptation concerned product development, and not only distribution or market positioning (L'Oréal, 2013).

The Indian case also suggests that adaptation can gradually change the strategic role of the host market within the wider multinational network. More recent developments seem to confirm this. In January 2026, L'Oréal announced the creation of a Beauty Tech hub in Hyderabad, backed by an initial investment of more than 35 billion rupees and expected to create around 2,000 technology jobs by 2030 (Dugar & Suresh, 2026). The company also referred to this new Indian hub in its 2025 annual-results communication, suggesting that India is becoming

important not only as a sales market or production base, but also as a site of innovation with wider strategic relevance for the Group (L'Oréal, 2026). This suggests that adaptive strategies may strengthen competitiveness not only by improving local fit, but also by upgrading the subsidiary's role over time.

L'Oréal in India therefore shows an adaptive trajectory in which long-term competitiveness depended on the continuous realignment of brands, channels, production, and innovation capabilities with evolving local conditions. In this case, adaptation did not simply preserve market presence; it allowed India to become progressively more central to the company's broader strategic configuration.

4.5.3.Synthesis: Lessons from Adaptive Strategies

The two adaptive cases discussed in this section suggest that sustained competitiveness in emerging markets depends less on entry timing than on the ability to remain aligned with changing local conditions over time. In both Unilever in Indonesia and L'Oréal in India, competitive strength did not result simply from early presence or scale, but from the **firms' capacity to adjust their market approach as local conditions evolved.**

At the same time, the comparison also highlights an internal difference. In Unilever's case, adaptation was mainly connected to market embeddedness. This was visible in the way brands, channels, and distribution were adjusted to a consumer environment that was fragmented and also very different from one region to another. In L'Oréal's case, adaptation took a different form. It was expressed more through capability building, local production, and the gradual strengthening of India's role within the wider multinational network. For this reason, the two cases show that adaptive strategies do not follow one single pattern. What they have in common is the ability to adjust commitments as local conditions change.

Taken together, these cases suggest that adaptive advantage in emerging markets depends less on timing itself than on the ability to keep responding to change over time. Adaptation matters not only because it helps firms remain relevant, but also because it can gradually strengthen their position as market conditions evolve.

4.6. Failures

Failure cases are important because they make the limits of market entry more visible, especially when the connection between the firm and the local environment weakens over time. In emerging markets, firms may enter markets with strong growth potential and still fail to build a lasting competitive advantage. In most cases, this does not happen because the opportunity was missing, but because firms were unable to keep their strategic commitments aligned with institutional realities and changing competitive conditions.

In this thesis, **failure is not understood simply as market exit**. It is understood instead as a gradual process in which the firm's way of operating becomes less and less suited to the institutional and competitive setting of the host market. From this perspective, failure cases are useful because they show what happens when business models become too rigid, adaptation remains limited, or the fit with local conditions weakens over time. They therefore make clear why long-term performance cannot be understood through entry timing alone and why, in emerging markets, success depends on a firm's ability to remain aligned with local conditions after entry.

4.6.1. Walmart in Brazil

Walmart's trajectory in Brazil is a useful example of a failure case in which the potential of a large emerging market was not enough to generate sustained competitive advantage. Brazil

offered many of the features that usually make a market attractive for multinational retailers, including a very large consumer base, a wide territorial scale, and considerable room for retail expansion (World Bank Open Data, 2024). At first, Brazil appeared to be a very promising market for Walmart. Early research on the company's entry also suggests that Walmart initially had a visible impact on the sector, contributing to greater concentration and modernization in Brazilian retailing (da Rocha & Dib, 2002). Over time, however, the case moved in a different direction. Walmart's difficulties in Brazil were linked less to a lack of market opportunity than to a growing gap between its expansion strategy, its ability to integrate operations, and the competitive requirements of the local market.

This problem became more evident as the company expanded. Walmart strengthened its presence through the acquisitions of Bompreço in 2004 and Sonae Distribuição Brasil in 2005, which significantly increased its scale and added more than 250 units to its Brazilian operations (Walmart, 2006). At the same time, this expansion also made the organization much more complex, and Walmart struggled to manage that complexity effectively. Instead of building a coherent national platform, the acquisitions left Walmart operating across different regional markets, store formats, and inherited systems that were not easy to integrate. As a result, **scale grew faster than strategic coherence.**

The Brazilian retail environment made these weaknesses especially costly. Retail performance in Brazil did not depend only on size. It also depended on how well firms could deal with regional differences, logistics, store location, and format choice. In a context like this, applying a largely standardized home-market model was unlikely to create a lasting competitive advantage unless it was adapted more carefully to local conditions. This is where Walmart encountered major difficulties. Reports on its Brazilian operations mention poor store locations, weak price competitiveness, labor disputes, and persistent problems in integrating acquired

businesses into a coherent operating model (Haynes & Layne, 2016). Walmart also failed to build a strong position in the cash-and-carry segment, even though this became one of the most dynamic parts of Brazilian food retailing. Competitors such as Carrefour and GPA responded to this segment more effectively (Haynes & Layne, 2016). The issue, therefore, was not simply that Walmart faced difficulties in Brazil. More importantly, it was unable to turn its market presence into a retail model that was both strategically coherent and properly adapted to local conditions.

This case is particularly relevant to the thesis because Walmart's underperformance in Brazil did not come from one isolated strategic mistake, but from a broader **failure of post-entry realignment**. This interpretation is consistent with broader research on transnational retailing, which suggests that foreign retailers perform better when they adapt their operating model to host-market institutions instead of relying on a standardized formula (Durand & Wrigley, 2009). Walmart's long presence in Brazil never turned into the kind of local embeddedness that might have strengthened its position over time. In 2018, the company sold an 80 percent stake in its Brazilian operations to Advent International and recorded a non-cash charge of about \$4.5 billion, a move that reflected the long-term weakness of the business (Bose & Bautzer, 2018).

Walmart in Brazil therefore shows a failure trajectory in which scale and market opportunity increased exposure, but did not lead to a stronger fit with local conditions. The case suggests that in emerging markets, expansion alone does not secure competitiveness when firms are unable to integrate acquisitions, adapt to local retail dynamics, and maintain strategic coherence over time.

4.6.2.eBay in China

eBay's trajectory in China shows a failure case in which early entry into a large and fast-growing emerging market did not translate into sustained competitive advantage. China offered exactly the kind of opportunity that attracted multinational digital firms in the early 2000s: rapid economic growth, a vast consumer base, and an e-commerce sector that was still at an early stage of development. eBay entered the Chinese market through an initial investment in EachNet in 2002 and completed the acquisition of the remaining shares in July 2003 (eBay Inc., 2003). In principle, this gave the company a strong first-mover position in a market with considerable long-term potential.

However, the case shows that entering early was not enough to secure a stable competitive position. In China, the success of a platform model depended not only on scale or technological capability, but also on how well it matched a market characterized by weak formal trust mechanisms, evolving payment systems, and user practices that differed quite clearly from those of more mature Western online markets. Under such conditions, competitive advantage required more than early presence; it required an ability to adapt the platform to the institutional and commercial logic of the local environment.

This is where eBay struggled. After taking control of EachNet, the company increasingly imposed a standardized global platform model that reduced local flexibility and limited responsiveness to the specific conditions of the Chinese market (Ou & Davison, 2009; Peng, 2003). This became especially costly when Taobao entered the market in 2003. Unlike eBay, Taobao was more closely aligned with the emerging logic of Chinese e-commerce: it removed listing fees, reduced barriers to seller participation, and relied more strongly on escrow-style payments and direct buyer-seller interaction, all of which were better suited to a market in which institutional safeguards and payment systems were still developing (Ou & Davison, 2009;

Wang, 2010). The central problem, therefore, was not simply the presence of a strong domestic competitor but the fact that **eBay's business model remained less deeply embedded in specific conditions of the Chinese market.**

This case is especially relevant to the thesis because it shows how first-mover potential can weaken when firms do not adjust their strategy after entry. As China's digital economy evolved, eBay's early position lost strength not because the market had become less attractive, but because the platform did not adapt enough to local expectations, transaction practices, and institutional conditions. In 2006, the company effectively stepped back from direct consumer-to-consumer competition in China by forming a joint venture with Tom Online (Knowledge at Wharton Staff, 2007). This move suggests that early presence had created an opening, but not a position that the company was able to sustain over time.

eBay in China therefore shows a failure trajectory in which pioneer advantage of entering early remained weak, because the company was not able to turn that early move into a competitive model that fit local conditions more closely. The case suggests that in emerging markets, a first-mover position alone cannot secure lasting success when firms remain tied to operating assumptions that no longer fit the institutional and competitive environment.

4.6.3.Synthesis: Lessons from Failure Cases

The two failure cases discussed in this section suggest that weak performance in emerging markets cannot be explained simply by limited opportunity or by the presence of strong local competitors. Both Walmart in Brazil and eBay in China entered markets with strong growth potential and were initially able to build visible positions. In neither case, however, did that presence turn into lasting competitive strength.

What links the two trajectories is not one single strategic mistake, but a broader failure to keep the firm's operating model aligned with the local environment. In Walmart's case, rapid expansion increased scale without creating enough integration or coherence across formats, regions, and competitive conditions. In eBay's case, early entry created visibility, but the company did not adapt its platform model enough to the institutional and transactional logic of the Chinese market. The comparison therefore suggests that failure in emerging markets often results not from entering the wrong market, but from being unable to adjust strategy when local conditions begin to change.

Taken together, the two cases show that durable advantage becomes difficult to maintain when firms remain tied to operating assumptions that no longer fit the institutional and competitive realities of the host market.

4.7. Cross-case comparative analysis

When the eight cases are considered together, the main result is not that one strategic profile consistently outperformed the others. Instead, what emerges is a more conditional pattern in which competitive outcomes depended on the interaction between entry timing, institutional conditions, and firms' capacity to adjust after entry. In that sense, **timing mattered** because it shaped the position from which firms began to compete, but it was not enough on its own to create durable advantage. Early entry could offer some clear benefits. As first-mover research suggests, it could give firms visibility, opportunities to learn early, and some possibility to influence how the market developed (Lieberman & Montgomery, 1988). Later entry, on the other hand, could reduce uncertainty and make firms more selective in the way they committed resources (Suarez & Lanzolla, 2005). Across the cases in this thesis, however, neither early nor delayed entry was enough by itself to explain long-term performance.

This becomes clear when the pioneer and follower cases are looked at together. Uber in India and Netflix in Brazil show why entering while the market was still relatively open could be attractive. Both companies gained early visibility and were able to move before competition became stronger. At the same time, these cases also show that entering early did not automatically lead to a stable advantage. In emerging markets, early commitment also meant having to deal with changing regulation, shifting demand, and the possibility that the choices made at the beginning would lose value over time. Starbucks in Vietnam and IKEA in India followed a different path. They entered later, when some uncertainty had already been reduced and market conditions were clearer. Their cases suggest that later entry could be beneficial when firms used it to avoid premature commitments and to organize expansion in a more selective way. In this sense, timing mattered, but it mattered less than the way firms used the position created by that timing.

A second important pattern concerns the role of **institutional and competitive context**. The cases show that the effects of entering early or late were not the same across host markets. Early positioning was more likely to remain valuable where firms were able to strengthen their presence through local embeddedness and where institutional or competitive change did not weaken initial commitments too quickly. In more volatile or institutionally demanding environments, by contrast, the benefits of early entry were less stable because regulation, competition, and market expectations kept changing after entry. This means that context did not just affect results afterwards. It also shaped how useful timing was from the beginning. Similar strategic choices did not lead to similar outcomes across countries because firms were operating under different combinations of regulatory uncertainty, competitive pressure, and institutional development (Peng et al., 2008). For this reason, the comparison does not show that pioneer or follower strategies are better in general but points instead to a more context-dependent view of competitive advantage.

The clearest difference across the cases is about **post-entry adaptation**. If timing defined the initial position of a firm and context influenced the stability of that position, adaptation often determined whether advantage could be maintained, revised, or lost. This is especially visible when the stronger cases are compared with the weaker ones. In the adaptive cases, competitiveness depended on the ability to keep adjusting strategy as local conditions changed, whether through distribution, localization, pricing, investment, or broader organizational changes. In the failure cases, by contrast, market presence and scale were not enough when firms could not maintain a good fit with the host environment. What seems to matter most, then, is not timing by itself, but whether firms were able to respond to local signals and modify their strategy over time (Teece, 2007). In that sense, early advantages were not simply preserved or lost. They were reshaped by what firms did after entry.

Taken together, the cases provide a clearer answer to the central research question of this thesis. Pioneer, follower, and adaptive strategies can all lead to **sustained competitive advantage**, but only under specific contextual and strategic conditions. Pioneer strategies appear more effective when early entry is followed by continued adaptation and when institutional change does not erode the value of initial commitments too quickly. Follower strategies tend to become more effective when entering later helps firms reduce uncertainty without cutting them off from important growth opportunities. Adaptive strategies become particularly relevant in contexts marked by volatility, fragmentation, and institutional change, where competitiveness depends less on entry order than on the ability to keep responding to changing market conditions. More broadly, the cases suggest that success in emerging markets cannot be explained by timing alone, but by the way timing, context, and post-entry adaptation interact over time.

Figure 3 presents this comparative logic across the eight cases, mapping each firm's strategic profile, entry commitment, contextual conditions, and competitive outcome.

Case	Strategic profile	Entry commitment / initial position	Contextual conditions	Why the trajectory evolved this way	Competitive outcome
Uber in India	Pioneer	Early entry into a still fluid ride-hailing market	Regulatory uncertainty, legitimacy pressures, strong local competition	Early visibility remained valuable only because Uber repeatedly adapted its model to changing local conditions	Pioneer advantage partially sustained through adaptation
Netflix in Brazil	Pioneer	Early entry into an emerging streaming market	Evolving digital infrastructure, market development, regulatory exposure	Early positioning became more durable because Netflix reinforced it through localization and deeper local embeddedness	Pioneer advantage strengthened over time
Starbucks in Vietnam	Follower	Later entry through partnership-based expansion	Strong local coffee culture, established domestic competitors	Delayed entry reduced uncertainty, but partnership-based expansion constrained market reach and limited strategic flexibility	Follower strategy with partial consolidation
IKEA in India	Follower	Delayed entry after prolonged regulatory preparation	FDI restrictions, sourcing requirements, logistical complexity	Strategic patience improved institutional fit and supported stronger post-entry positioning	Follower strategy with strong long-term potential
Unilever in Indonesia	Adaptive	Established presence in a fragmented consumer market	Regional diversity, fragmented retail structure, local competitive pressure	Competitiveness depended on continuous alignment with changing local conditions rather than on timing alone	Adaptive competitiveness maintained under pressure
L'Oréal in India	Adaptive	Early presence in a highly differentiated market	Heterogeneous demand, channel complexity, evolving consumer segments	Advantage was sustained through capability building and deeper alignment with local market evolution	Adaptive competitiveness reinforced over time
Walmart in Brazil	Failure	Strong expansion through acquisitions	Integration problems, local competition, weak strategic fit	Rapid expansion increased scale without resolving integration gaps and strategic misalignment with local retail dynamics	Failure through rigidity and weak fit
eBay in China	Failure	Early entry into a fast-growing e-commerce market	Weak trust mechanisms, evolving payment systems, strong local rivals	Early entry eroded because the business model remained misaligned with local market logic	Failure through strategic misalignment

Figure 3: Analytical cross-case matrix of strategic trajectories in emerging markets

Source: own elaboration

Read analytically, the matrix suggests a recurring pattern: **competitive outcomes were not determined by any single dimension**, but by the degree of alignment between entry logic, institutional context, and post-entry response.

The pioneer cases show that entering early in a highly uncertain context could create an initial advantage, but only when firms were able to keep adjusting their strategy as the market evolved. When this did not happen, or happened too slowly, the benefits of early entry weakened because the institutional and competitive environment changed in ways that the original strategy could no longer absorb. The follower cases show a different pattern. Entering later helped reduce uncertainty and made commitment more selective, but only when this delay did not keep firms away from important growth opportunities and when local fit was actively built.

The adaptive cases point to the same idea from another angle. When institutional volatility remained high over time, timing became less important than the ability to keep adjusting strategy. This helps explain why Unilever and L'Oréal were able to remain competitive despite changing conditions. The failure cases confirm this from the opposite side, showing that scale and market presence were not enough when firms were unable to maintain strategic fit with the host environment over time.

5. Discussion

The cross-case analysis showed that no single strategic profile was consistently better across all cases. This chapter builds on that result by discussing what the findings mean at a theoretical level, with particular attention to the interaction between entry timing, institutional context, and post-entry adaptation. It also addresses the central research question of the thesis, namely under what contextual and strategic conditions pioneer, follower, and adaptive strategies lead to sustained competitive advantage in emerging markets.

The discussion first looks at how the findings relate to the literature on internationalization, entry timing, and dynamic capabilities. It then turns to the conditions under which different

strategic profiles are more likely to succeed, before discussing the role of institutional and competitive contexts and the main managerial implications.

5.1. Linking findings to theoretical perspectives

The findings of this thesis suggest that the main theoretical perspectives discussed in the literature are useful, but incomplete when taken on their own. The empirical analysis shows that each of them explains only part of how firms build, maintain, or lose competitive advantage in emerging markets, and in some cases the evidence shows quite clearly where their assumptions become less convincing.

A first issue concerns **the Uppsala model**. The findings support the basic idea of the Uppsala model that uncertainty and learning matter in international expansion (Johanson & Vahlne, 1977), and several cases confirm that firms often need to build experience gradually through local exposure. At the same time, the empirical evidence also shows a clear gap between the logic of the model and the reality of many emerging markets. The Uppsala model assumes that knowledge gradually reduces uncertainty and makes further commitment more predictable. Uber's trajectory in India shows why this view can be too linear. Even after years of operating in the market, the company continued to face changing forms of uncertainty, including regulatory pressure, legitimacy problems, and competition from a more locally embedded rival. Experience did not reduce uncertainty; it changed its form. Later revisions of the framework only partly address this (Johanson & Vahlne, 2009; Vahlne & Johanson, 2017). The model therefore seems more convincing for cautious expansion in relatively stable contexts than for firms operating in volatile markets, where uncertainty continues to change in ways that earlier commitments cannot fully anticipate.

The literature on **first-mover** and **late-mover advantages** also appears less decisive than it may seem at first. Entry timing clearly affects access to resources, visibility, and strategic positioning (Lieberman & Montgomery, 1988), but the findings of this thesis do not support a strong direct link between being early or late and achieving sustained success. Walmart in Brazil entered a large market with significant resources, yet its initial position became more difficult to modify as the gap between its model and local retail conditions widened over time. eBay in China shows a similar dynamic: early entry created visibility, but the platform model remained poorly aligned with local practices and institutional conditions. Both cases suggest that entry timing theory is more convincing when it explains how firms may gain from entering early than when it tries to explain how long those gains can be sustained. The follower cases point in the same direction. Delay was useful only when it gave firms a clearer position and a better basis for selective learning, as in the cases of IKEA and Starbucks, rather than when entry was simply postponed without a stronger strategic rationale. Timing advantages, then, appear less stable than the literature sometimes implies (Suarez & Lanzolla, 2005). Timing mattered, but mostly as a starting point whose value depended on what firms were able to do afterwards.

This makes the **dynamic capabilities perspective** particularly relevant, but even here the findings do not point to a simple confirmation. Unilever in Indonesia and L'Oréal in India are the clearest supporting cases: both remained competitive because they kept adjusting products, channels, and local operations instead of relying on a fixed global model (Teece, 2007; Teece et al., 1997). At the same time, eBay's failure in China shows that not all firms have the same capacity to adapt. In its case, the initial organizational and strategic choices limited how far later adjustment was possible. This suggests that adaptive capacity is shaped not only by managerial action, but also by earlier commitments and by the institutional setting in which firms operate. The dynamic capabilities perspective helps explain why adjustment matters, but

it is less clear when it comes to explaining why some firms are better able to adapt than others under similar pressure.

What emerges is not only a series of separate limitations, but also a **common weakness**: each framework gives priority to one mechanism, while the others remain more in the background. The Uppsala model tends to underestimate the fact that uncertainty may continue even after firms have gained experience. Entry timing theory, on the other hand, says relatively little about when an initial position starts to become rigid. The dynamic capabilities perspective is also useful, but it can remain too broad if it is not linked more clearly to the institutional conditions that shape what firms are actually able to change.

The cases also suggest a more general point. The value of an entry strategy does not depend only on whether a firm enters early or late, but also **on whether the position created at entry can still be changed later**. Entering early may give firms visibility and access to opportunities, while entering later may reduce uncertainty and allow a more selective commitment. Still, these initial advantages were not enough to secure long-term success. What made the difference was whether firms could reconsider and adjust their earlier decisions as the market changed. This also helps explain why some pioneers were not able to preserve their initial lead, while some followers obtained better results because their strategy remained easier to modify over time.

The main theoretical implication of this thesis can be described in terms of **revision capacity**. The value of entry timing depends on whether firms are able to revise the position created at entry. Entering early or late influences the firm's initial position, but competitive advantage can last only when that position is revised before institutional or competitive pressures make it lose value. This means that the key issue is not whether pioneers or followers perform better in general, but whether firms can convert an initial position into one that remains revisable as the

market changes. In this sense, adaptation is not a separate source of advantage alongside timing, but the process that determines whether timing keeps its value or loses it over time.

5.2. Conditions for strategic success

The cross-case analysis suggests that pioneer, follower, and adaptive strategies can all lead to positive outcomes in emerging markets, but only under specific conditions. **Success depended on whether firms were able to translate their initial position into a viable trajectory over time.** Across the cases, three conditions emerged as especially important. The first was whether entry timing created space for strategic adjustment. The second was whether the institutional environment allowed that initial position to remain workable over time. The third was whether firms were able to adjust once conditions started to change.

The first condition concerns the **strategic value** of the **initial entry position**. Pioneer strategies were more successful when entering early gave firms access to opportunities that later entrants could not easily reproduce, and when those opportunities could still be reinforced over time. Netflix in Brazil is the clearest example. Early entry gave the company visibility in a streaming market that was still underdeveloped, and this position remained valuable because Netflix continued to reinforce its local presence through production, partnerships, and long-term commitment. Uber in India shows a more fragile version of the same pattern. Early entry created market access, but those advantages remained unstable because the company continued to face regulatory pressure, legitimacy problems, and strong local competition. This comparison suggests that early entry becomes a lasting advantage only when the initial opening can still be adapted, rather than being quickly constrained by the local environment (Lieberman & Montgomery, 1988; Suarez & Lanzolla, 2005).

The second condition concerns the **role of delayed entry**. Follower strategies were more effective when firms used later entry to reduce uncertainty and improve strategic fit, without losing the possibility of building a meaningful position afterwards. IKEA in India is a clear example of this, since delayed entry allowed the company to wait for greater regulatory clarity and to prepare a more structured expansion. Starbucks in Vietnam also benefited from entering after the earliest phase of uncertainty, but its position remained more limited because of local consumption habits and stronger domestic competition. In these cases, later entry was useful when it improved institutional fit and allowed firms to commit more selectively, rather than simply postponing entry. Delay mattered when firms used that time to enter with a clearer strategic approach than earlier movers (Robinson et al., 1992).

The third condition, and probably the most important one, concerned **post-entry adaptation**. This was especially clear in the cases of Unilever in Indonesia and L'Oréal in India. Both firms remained competitive not because of when they entered, but because they kept adjusting products, channels, and local embeddedness as conditions changed. Their trajectories suggest that, in emerging markets, sustained advantage often depends less on entry mode or timing than on whether firms continue to adjust their commitments over time (Teece, 2007; Teece et al., 1997). In this sense, adaptation is not simply one strategy among others. It is what allows an initial position to remain sustainable over time.

The failure cases show the same point from the opposite side. Walmart in Brazil and eBay in China did not fail because those markets lacked opportunity. The main problem was that they were unable to keep their strategic model aligned with the local context. Walmart expanded but struggled to connect scale with the realities of Brazilian retailing. eBay, by contrast, remained tied to a platform model that did not match local user practices well. Both cases show that even

a strong initial position can lose strength when firms are unable to revise earlier commitments in time.

Taken together, these cases suggest that strategic success depended on something more specific than entry order alone, namely the **ability to remain flexible after entry**. Pioneer strategies were more effective when firms could strengthen their early position before uncertainty became more intense. Follower strategies worked better when entering later made the market easier to understand without pushing the firm into a marginal role. Adaptive strategies, in turn, were more effective when firms kept adjusting their commitments as the environment changed. For this reason, the main difference across the cases was not simply between early and late entrants, but between firms that preserved flexibility after entry and firms whose early commitments gradually became rigid. This also helps explain why followers sometimes outperformed pioneers: they entered later, but under conditions in which their strategy was easier to adjust and their initial position less exposed.

5.3. The Role of Institutional and Competitive Contexts

The findings of this thesis show that **institutional** and **competitive contexts** were not simply part of the background of firms' strategic choices. They influenced how far those choices could actually produce positive results over time. Similar strategic profiles led to different outcomes because firms operated under different levels of regulatory instability, institutional maturity, and competitive pressure. For this reason, pioneer, follower, and adaptive strategies cannot be assessed in abstract terms. Their effectiveness depended on the specific environments in which they were implemented.

A first important point is that **institutional conditions** influenced the value of entry timing itself. In relatively stable contexts, entering early was more likely to remain an advantage over

time, because firms faced fewer sudden regulatory shifts and had more scope to consolidate the position they had built at entry. In more volatile environments, the situation looked different. There, institutional instability made timing less valuable, since commitments made at the beginning often became harder to revise later on. This also helps explain why adaptive strategies often proved stronger in cases where pioneer advantages remained fragile.

The comparison between India and Brazil is useful here, not only because both are large emerging markets, but also because uncertainty took different forms in the two cases. In India, it was closely connected to regulatory ambiguity, legitimacy pressures, and rapidly changing conditions for platform-based competition, as Uber's case illustrates. In Brazil, by contrast, uncertainty appeared more clearly in taxation issues, local operating conditions, and the difficulties of organizational integration over time, as the cases of Netflix and Walmart show in different ways. The broader point is that institutional volatility did not affect all strategies equally. It reduced the long-term value of timing when firms became locked into early commitments, while making the capacity to adjust even more important.

Institutional context also influenced how attractive follower strategies could be. Delayed entry was more effective where it allowed firms to wait for greater regulatory clarity or to enter once the market had become easier to interpret. Institutional clarity improved the conditions for entry, but it did not remove the need for local alignment.

A second major point concerns the **competitive context**. In several cases, foreign firms were not competing in open markets, but against domestic rivals with stronger local knowledge and greater institutional embeddedness. This is especially visible in China and India. eBay did not fail simply because the Chinese market was difficult. It failed because a local competitor was better aligned with local user practices, payment expectations, and the wider institutional environment. Uber in India faced a similar difficulty. Competition was harder not simply

because of timing, but because its competitors were more deeply embedded in the local context. At the same time, the liability of foreignness did not have the same weight in every case. It was stronger where local competitors combined cultural proximity with more concrete institutional advantages, such as closer relations with regulators, easier access to payment or distribution systems, or deeper links to local commercial networks. This also helps explain why, in markets such as Vietnam and Indonesia, foreign firms could still face important constraints even when they entered with strong brands or substantial resources.

This pattern is consistent with the institution-based view of strategy, which argues that firm behavior is shaped not only by resources and industry conditions, but also by formal and informal institutions (Peng, 2003; Peng et al., 2008). The empirical evidence in this thesis supports that view quite clearly. Across the cases, institutions influenced which strategies were possible, how easily firms could gain legitimacy, and whether early or late entry remained viable as conditions changed. This is particularly clear in the adaptive cases. Unilever in Indonesia and L'Oréal in India remained competitive not because they entered under perfect conditions, but because they were better able to respond as those conditions evolved.

Taken together, the findings of this section complete the logic developed in Sections 5.1 and 5.2. If entry timing shaped the firm's starting position, and adaptation influenced whether that position could later be maintained or revised, institutional and competitive context shaped how important timing actually was and how far adaptation was really possible in practice. In this sense, context was not simply an external factor influencing performance. It was the factor that shaped the weight of timing, the cost of rigidity, and the feasibility of strategic adjustment over time.

5.4. Managerial implications

The findings of this thesis suggest that **managers** should not treat entry timing as the main strategic decision when entering emerging markets. Entering early may create opportunities, while entering later may reduce uncertainty, but neither option is enough on its own. What matters more is whether the firm can still adjust its strategy after entry if regulation, competition, or demand begin to change. For managers, this means that the key question is not only when to enter, but also how to avoid becoming locked into a strategy that is difficult to change later.

A first implication is that **market evaluation** should go beyond market size and growth potential. Managers also need to identify the main form of uncertainty in each market before deciding how much commitment is sustainable. The cases in this thesis show that volatility did not have the same form in every market. In India, the main challenges were regulatory ambiguity, legitimacy pressures, and rapidly changing competitive conditions. This meant that firms needed entry structures that could be adjusted without causing major disruption. In Brazil, by contrast, the main difficulties were more related to taxation, operating complexity, and post-entry integration, which made organizational coherence more important than rapid expansion. In China, the central problem was the mismatch between the platform model and local transaction practices, which made the transfer of a standardized model more difficult and costly. This means that managers should not ask only whether a market is attractive, but what kind of strategic rigidity that market is most likely to punish.

A second implication concerns **entry design**. Managers should match the entry structure to the type of uncertainty they expect to face. In markets characterized by strong regulatory uncertainty and legitimacy issues, such as India, governance structures that allow local adjustment and avoid excessive irreversibility are usually more effective than large, fixed

commitments made too early. The comparison between Uber and IKEA in India is useful in this respect. Both companies faced a complex institutional environment, but IKEA benefited from a later and more structured commitment, which gave it a more stable basis for expansion. Uber, by contrast, had to keep revising an early position that was more exposed from the start. The Walmart case in Brazil points in a similar direction, showing that large-scale commitment becomes risky when expansion moves faster than the firm's ability to integrate formats, systems, and local operating conditions. The point, then, is not whether commitment should generally be high or low, but whether the chosen structure leaves enough room to revise the strategy once market conditions begin to change.

A third implication concerns **local embeddedness**, which should be treated as a strategic requirement rather than as something to address later. Several cases show that foreign firms often compete with domestic rivals that do not simply have better cultural knowledge. Local firms may also benefit from closer relationships with regulators, easier access to distribution or payment systems, and stronger links with local commercial networks. For managers, this means that local embeddedness cannot be built in the same way everywhere. In platform markets, it may matter above all for legitimacy and for the fit between the service and local transaction practices. In retail or consumer-goods markets, by contrast, it may be more relevant for distribution, sourcing, and the ability to respond to fragmented demand. A strong global model, by itself, is rarely enough if the firm does not also develop the local access needed to understand the market and adapt its commitments in time.

A final implication concerns **post-entry management**. Adaptation should not be seen only as a response when performance starts to decline. In emerging markets, it is often a normal condition for staying competitive. For this reason, managers should recognize early when the original strategy is starting to lose fit with the market. This may require stronger local feedback,

faster decision-making at subsidiary level, and enough flexibility to revise pricing, partnerships, products, or operations before rigidity becomes a real problem.

Overall, the cases suggest a practical **shift in perspective**. Instead of focusing only on which entry strategy is best, managers should also consider whether their organization is able to adjust that strategy when market conditions change. In emerging markets, this ability to revise earlier choices is often more important than the initial strategic decision itself.

6. Conclusion

6.1. Summary of the Study

This thesis examined the contextual and strategic conditions under which pioneer, follower, and adaptive strategies can lead to sustained competitive advantage in emerging markets. It started from the idea that long-term performance cannot be explained simply by the moment of entry. Although early entry is often associated with strategic advantage in the literature, the cases examined in this study show that timing by itself does not determine whether firms succeed over time.

To address this issue, the thesis developed an **analytical framework** combining internationalization theory, entry timing literature, the institution-based view, and the dynamic capabilities perspective. This framework was then used for a qualitative comparative analysis of eight firms operating in different emerging-market contexts. The purpose was not to identify one strategy as always better than the others, but to understand why firms with apparently similar strategic profiles can reach different outcomes when institutional and competitive conditions are different.

The findings show that competitive advantage in emerging markets depends on more than entry order alone. Entry timing influenced the firm's initial position, but it did not by itself decide whether that position would remain strong over time. Two other aspects were especially important: first, whether the institutional context allowed that position to remain sustainable, and second, whether the firm was able to adjust its commitments as market conditions changed. This also helps explain why followers sometimes performed better than pioneers. Entering later became an advantage when early entrants were exposed to uncertainty before they were able to consolidate their position.

Across the cases, the main pattern was not that one strategic profile consistently performed better than the others. What mattered more was whether firms were able to keep their initial position viable over time. Early entry could create opportunities, later entry could reduce uncertainty, and adaptive strategies could strengthen resilience, but none of these worked in isolation. Where firms failed to revise their commitments as conditions changed, competitive advantage tended to weaken.

Overall, the thesis shows that pioneer, follower, and adaptive strategies do not generate superior outcomes by themselves. Beyond the specific cases examined, the findings suggest that in emerging markets competitive advantage is less a matter of choosing the right entry moment than of preventing initial strategic positions from becoming rigid as the market evolves.

6.2. Contributions of the study

This thesis makes three main contributions.

The first contribution is **empirical** and **comparative**. By examining eight cases across four strategic profiles, pioneers, followers, adaptive firms, and failures, the study offers a broader comparison than approaches that focus only on early and late entry. This wider comparison

makes it possible to see not only when pioneer or follower strategies may succeed, but also under which conditions initial advantages weaken or collapse over time. In particular, the inclusion of failure cases adds an important perspective that is often missing. It makes it possible to look not only at why some firms succeed, but also at why positions that initially seem strong can lose value over time when they no longer fit institutional and competitive conditions. In this sense, the thesis goes beyond a simple comparison between pioneers and followers and offers a more complete picture of competitive trajectories in emerging markets.

The second contribution is **analytical**. The thesis argues that the effect of entry timing on long-term performance is conditional rather than automatic. More specifically, early or late entry shapes the firm's initial position, but that position remains valuable only if firms are able to revise their commitments before institutional or competitive pressures begin to weaken it. This shifts the focus away from entry order alone and toward the conditions under which an initial position can be maintained, adjusted or gradually lose value over time. In this way, the study offers a more precise explanation of why follower strategies may sometimes outperform pioneer strategies and why early entry does not automatically produce durable advantage.

The third contribution is **theoretical** and **practical**. The thesis brings together internationalization theory, entry timing literature, the institution-based view, and the dynamic capabilities perspective in a more process-oriented explanation of competition in emerging markets. More specifically, it identifies a revision-capacity mechanism through which the value of timing is either preserved or undermined over time. This means that adaptation is not simply an extra advantage beside timing. Rather, it is what allows firms to preserve and reshape their position as the context changes. This helps explain why some pioneer advantages remain unstable, why some follower strategies are effective only in certain situations, and why competitive success depends less on entry order alone than on the firm's ability to adjust its

commitments over time. The same logic also has a practical implication for managers: the key issue is not only whether to enter early or late, but whether the chosen entry structure leaves enough room for revision once market conditions begin to shift.

6.3. Limitations of the study

This study has several limitations that should be recognized.

A first limitation concerns the **research design**. The thesis is based on a qualitative comparative case study approach. This method is useful because it makes it possible to analyze strategic processes, differences across firms, and the role of context in some depth. At the same time, the findings cannot be statistically generalized. The aim of the study was not to make universal claims about all firms operating in emerging markets, but to develop analytically grounded insights into the conditions under which different strategic profiles lead to different outcomes.

A second limitation concerns the **empirical material**. The analysis relies mainly on secondary sources, including company communication, business press, published reports, and academic literature. This made it possible to compare firms across different countries and industries, but it also limited access to internal decision-making processes. In particular, it was not always possible to see directly how firms interpreted uncertainty, discussed strategic alternatives, or decided when and how to revise earlier commitments. For this reason, some parts of the analysis are based on a reconstruction of strategic trajectories from available external evidence rather than on direct managerial accounts.

A third limitation concerns **case selection**. The cases were chosen on the basis of a purposive and theory-guided logic, but data availability also had a strong influence on the final sample. This means that firms that were more visible and better documented were easier to include, while other potentially relevant cases had to be left out because the available material was too

limited or not reliable enough. As a result, the sample may give more emphasis to firms whose international trajectories received broader academic or media attention. The selected cases should therefore be considered analytically useful, but not fully representative of the wider group of firms entering emerging markets.

A fourth limitation concerns the **categories used** in this thesis. The distinction between pioneers, followers, adaptive firms, and failures was useful for structuring the comparison, but it inevitably simplifies strategic realities that are often more fluid. In practice, firms may show characteristics that overlap across categories or may move from one strategic posture to another over time. For this reason, these categories should be understood as analytical tools rather than fixed classifications.

Finally, the comparative **scope of the study** also created a trade-off between range and depth. Looking at cases from different countries and industries made it possible to identify broader patterns, but it also reduced the level of detail that could be given to each individual context. In some cases, a deeper focus on one national setting or one industry, for example, the institutional and competitive dynamics of the Chinese digital market, might have produced a more detailed understanding of the mechanisms involved.

Taken together, these limitations **do not invalidate** the findings of the thesis, but they do help define their scope. The contribution of the study lies in identifying comparative patterns and mechanisms rather than in offering a complete explanation of all forms of international expansion in emerging markets.

6.4. Directions for future research

This thesis also opens some possible directions for future research.

A first direction would be to test the arguments developed here on a **broader empirical basis**. This study is based on eight cases, which made it possible to analyze strategic trajectories in some depth, but future research could examine a larger number of firms across a wider range of industries and countries. This would help show whether the patterns identified in this thesis also appear more consistently in other emerging-market settings.

A second direction would be to **focus more** closely on **sector-specific dynamics**. One of the findings of this thesis is that timing, context, and adaptation interact differently depending on the environment in which firms operate. However, the study compares firms from different sectors, including digital platforms, retail, consumer goods, and beauty. Future research could therefore focus on a single industry in order to understand more precisely how competitive advantage develops under similar technological and market conditions.

A third direction would be to **adopt** a more explicitly **longitudinal approach**. This thesis has shown that competitive advantage in emerging markets is not fixed at the moment of entry but evolves over time as firms respond to changing institutional and competitive conditions. Future studies could examine this process more closely by following firms over a longer period and by analyzing more directly how strategic positions become reinforced, revised, or weakened.

A fourth direction would be to **examine** more systematically the **relationship** between **timing** and **strategic rigidity**. One of the main findings of this thesis is that early entry may create opportunities, but it may also become a source of rigidity if firms are unable to revise their initial commitments. Future research could explore this relationship more directly, for example through a larger comparative design or a quantitative approach, in order to identify more precisely under which conditions pioneer advantages remain durable and under which conditions delayed entry leads to stronger strategic fit.

Finally, future research could also examine more closely the **role of local competitors**. The cases in this thesis suggest that foreign firms often struggle not only because of general uncertainty, but because domestic rivals may hold stronger institutional and relational advantages. A more focused analysis of this issue could help explain more clearly how liability of foreignness interacts with local competition in emerging markets.

Overall, future research could build on this study by examining more precisely how timing, institutional conditions, and post-entry adaptation interact across different sectors and contexts. This would help refine the arguments developed in this thesis and contribute to a deeper understanding of competitive advantage in emerging markets.

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