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## Editorial

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### Satyendra Singh

Centre for Emerging Markets,  
Faculty of Business and Economics,  
University of Winnipeg,  
515 Portage Avenue, Winnipeg MB R3B 2E9, Canada  
E-mail: [ijbem@uwinnipeg.ca](mailto:ijbem@uwinnipeg.ca)  
Website: [www.uwinnipeg.ca/~ssingh5](http://www.uwinnipeg.ca/~ssingh5)

**Biographical notes:** Satyendra Singh is Director of Centre for Emerging Markets, and Associate Professor of Marketing and International Business in the Faculty of Business and Economics at the University of Winnipeg, Canada. His interest lies in the area of emerging markets with particular emphasis on Asia and Africa. He has published in journals such as *Thunderbird International Business Review*, *Industrial Marketing Management*, *Journal of Services Marketing*, *Services Industries Journal*, among others, and presented papers at international conferences such as *American Marketing Association*, *British Academy of Management*, *European Marketing Academy*, among others. He is the author of *Business Practices in Emerging and Re-emerging Markets* (Palgrave, USA 2008), and *Market Orientation, Corporate Culture and Business Performance* (Ashgate, UK 2004). He has edited a book entitled *Handbook of Business Practices and Growth in Emerging Markets* (World Scientific, Singapore 2010).

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This issue of IJBEM has interesting papers from the emerging markets of Asia – Malaysia and India – and Eastern Europe – Czech Republic, Hungary, Poland and Slovakia. In the lead paper, Al-Shalabi and Rundquist survey Malaysian firms to test the extent to which the firms are successful in outsourcing and organising new product development activities. Based on the data collected using mail surveys from automotive, chemical and electrical industries, the authors conclude that Malaysian firms focus more on production costs and their ability to manufacture than the need for developing new products as tools for boosting their ability to survive. Further, significant differences exist in business practices between locally owned firms and subsidiaries of multinational firms.

Along the same line of enquiry that business practices of multinational firms are different from the local entrepreneurs in emerging markets, Glanz compares entrepreneurial attitudes of firms in the Czech Republic, Hungary, Poland, and Slovakia with that of the USA. Using the Flash barometer surveys conducted by the European Union in 2004 and 2007, the author examines the measurement and evaluation of the legal and financial environment in these countries by their changing rankings in the World Bank's *Doing Business* database. It is indeed an interesting paper for managers interested in the emerging markets of Eastern Europe.

Conducting businesses using e-business models is picking up in emerging markets as well, particularly in India where the development of Information Technology and

the Internet over the past decade has brought significant changes to Indian economy. In this context, Mishra examines the development and variety of web aggregators, and analyses their status in Indian scenario and discusses their impact on business firms. A web aggregator provides value added e-services by collecting relevant data on the web and turning them into useful information. The author concludes that the Internet diffusion makes e-business a worthwhile business in emerging markets, and that Web aggregation has emerged as a valuable service tool to encourage the Internet users to shop online. The author provides the business managers with interesting recommendations based on this study.

Although e-business is global in nature, regional differences in consumption patterns do exist, and India is not an exception. In fact, it is very multicultural. Motivated by the regional cross-cultural consumption differences within India, Singh and Sharma compare the consumption pattern of the four Indian regions – Punjab in the North, Tamil Nadu in the South, Gujarat in the West and West Bengal in the East. Recognising the fact that India cannot be a representative of the whole Indian population, the authors postulate that the Indian regions differ significantly culturally, geographically, economically, environmentally and linguistically. They find support for this proposition, and thus recommend a region-based business strategy when dealing with Indian consumers because different Indian regions have different consumption patterns.

Buying houses is an example of consumption pattern of consumers. It is said that a house is the most expensive item that a family purchases in its lifetime. In this regard, Hong examines whether there are significant differences in housing characteristics – types of structure, community, and land tenure – between neighbourhood stability of homeownerships. The author finds that homeowners of semi-detached and detached houses are more likely to be involved in solving local problems, and that homeowners from a gated and guarded community socialise more with their neighbours. Further, homeowners of high-rise apartments are more likely to maintain their properties at a higher standard, which may result in an increase in the value of the neighbourhood.

Managers need to increase value of their firms' stock too. In the final paper, Haque employs the GARCH model to investigate the time varying risk premium, volatility, and persistence of shocks to volatility in light of the tragic event of 11 September, 2001 in the USA. The results indicate:

- the variance of emerging market/regions returns appears to be decreasing over time
- the correlation appears to have increased among emerging markets following the event of 9/11 in USA
- the correlation between emerging markets, Europe and BRIC (Brazil, Russia, India and China) seems to be increasing
- holding short-term asset in the emerging regional market does not provide the investors with the expected reward; however, holding long-term assets provides the risk premiums normally expected by investors.