Editorial

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1 Background

In the last decade, emerging countries such as Indonesia, Brazil, Russia, India and China have a significant contribution to the global economy (Biggemann and Fam, 2011). A strong sign of the contribution can be seen from the fact that about half of the G-20 members come from the emerging countries including Indonesia. By 2030, the Asian region is predicted to be the centre of the world economic gravity (Daily News, 2016; c.f., Kharas, 2010). ASEAN countries and China are forecasted to be the major players in the region (see Ba, 2003; Park et al., 2009). Indonesia is currently the ASEAN's largest GDP and is predicted by McKinsey that by 2030 is going to be the G-20 seventh largest in GDP. In addition, the expanding working age population and the fast growth of the middle-class group in emerging countries have attracted significant investments to these countries (Kharas and Gertz, 2010; Marquis and Raynard, 2015). Considering the evidence, it is reasonable to think of emerging countries as highly attractive, becoming potential markets for business organisations.

Penetrating businesses in the emerging countries nevertheless comes with uncertainties that could potentially affect business prospects. Those uncertainties may include corruption, transparency, inefficient corporate governance, unpredictable government policies, unstable legal and political conditions, as well as potential social conflicts. Take Colombia as an example. On the one hand, this Latin American country has significant potentials on natural resources; however, on the other hand the country potentially faces a political and social instability due to a long period of conflicts (BBC, 2017). Furthermore, when entering emerging countries, firms may also face uncertainties related to less known articulated needs of local-potential customers, a high speed of technological changes and dramatic changes of customers' expectations. Other uncertainties may include unclear mechanism or platforms for collaborations, latent consumer behaviours, unpredictable global economic conditions, global competition and market penetration from multinational companies. In short, uncertainties may therefore occur at both local and global level.

2 Introduction to the articles of this special issue

This special issue is aimed at encouraging scholars worldwide to participate in providing solutions and ideas for businesses, governments, and investors on how to shape business opportunities in emerging markets under the challenge of global and local uncertainties. The contents of this special issue cover both a high quality of conceptual and empirically grounded papers on topics related to the context of emerging markets. Due to the nature of the topic of this special call, the authors of the selected papers employ different theoretical bases, examine peculiar empirical contexts, and collect distinct empirical evidence. This special issue had attracted scholars from a rich and diverse set of theoretical backgrounds, including business strategy, marketing, supply chain management, organisational/societal trust, and entrepreneurship.

With the complexity and uncertainty involved in shaping business opportunities in emerging markets, we urged scholars to employ various types of research methods (i.e., qualitative and quantitative) and research strategies (e.g., survey, case study, and simulation) (Bryman, 2012; Saunders et al., 2012). The units of analysis of the selected papers include within an organisation, inter-organisation, producer-customer, and system (i.e., entrepreneurship ecosystem). The empirical contexts involve issues related to managing business/organisations in Indonesia (an Asian country), Colombia (a Latin American country), and the USA (for patent data analysis) covering different sectors from the agriculture and pharmaceutical to the consumer good and culinary sectors. The topics of the selected papers are summarised using the framework of 'managing interactions involving various types of stakeholder' by the editors of this special issue. The summaries of the papers are presented as follows.

- Managing interactions between producer and consumer: price negotiation process

  Collaborations among different actors such as in a supply chain may potentially involve both opportunities and uncertainties. While opportunities (advantages) need to be maximised, uncertainties (risks) need to be minimised or mitigated. In emerging markets, there is typically limited shared information on demand and supply owned between producers and consumers (Chung and Luo, 2012). In such markets, the prices of product may fluctuate significantly based on the quantity of products and demand circulated in the markets. Using empirical evidence collected through field observations and interviews, Handayati et al. employ agent-based modelling to simulate the negotiation process between buyer and seller particularly related to defining the price of the agriculture products in contract farming. The authors contend that during the negotiation process, both rational and emotional aspects are potentially involved. In this paper, it is argued that contract farming can be used to manage uncertainty. Related to the contract farming, the finding of this study shows that negotiation leads to benefits for the involved parties when there are positive emotions on the part of both parties. It is also found that the price agreement obtained through a win-win solution negotiation leads to a long-term partnership for the reason that the involved parties have shared understanding during the negotiation process.

- Managing interactions between producer and customers: market orientation strategy

  Ngatno contends that with regard to producer-customer interactions in emerging markets, one of the critical issues worth being addressed is whether firms should address their existing customers' expressed unmet needs or satisfy the latent needs of (new potential) customers for safeguarding their success or business sustainability (see form example Narver et al., 2004). It is argued in the paper that firms may orient their market strategy by exploring for new information and knowledge to anticipate competitions from their current competitors and potential ones. Such firms' strategies can also be associated to the concept of exploitation and exploration strategies (March, 1991). In a case of exploitation strategy, firms typically exploit existing markets by proposing products that the existing customers in the markets have been familiar with. In a case of exploration strategy, firms explore new market by proposing new product (technologies) to potential customers. Referring to previous studies, a conceptual study conducted by Ngatno finds that responsive market orientation (RMO) and proactive market orientation (PMO) are concepts that have received great attention in the marketing literature. The author shows that the number of publications concerning those two concepts has significantly been increasing since a couple of year ago. It is also provided by the author in the paper a framework consisting variables: dependent variable, mediator variables and moderator variables.

- Managing interactions between producers and customers: a market entry strategy

  It is argued by Purwanegara et al. that when entering emerging markets firms need to consider the characteristics of the society (including their culture, historical backgrounds, education levels, and demography). As argued by previous studies (e.g. Cleveland, 2006), firms can employ different strategies when entering markets. For example, firms may enter the market by either putting standard products regardless of the characteristics of the market or adapting the products suitable to the characteristics of the market. Firm may certainly take a combination of both of them (Naghavi, 2011). Moreover, a study conducted by Sola et al. (2013) shows that it is important for the firm to consider local market factors specifically the key role of intermediaries for the development of a sustainable business model. Pehrsson (2015) studies firms' strategic decisions whether they need to adopt a wholly-owned subsidiary and collaboration with other firms when entering foreign markets. Purwanegara et al. conduct their study with two aims. Firstly, it is to help the global company's marketers find the most suitable strategy to enter the Indonesian market through exploring the relationship between acculturation to global consumer culture (AGCC) and Indonesian consumer ethnic. Secondly, it is to investigate the relationship of subscribing TV cable and had experience in travelling to South Korea towards Indonesian people's consumption behaviour. Using empirical evidence obtained from a quantitative research method (i.e., survey), the finding of this study can be used to design an appropriate marketing strategy by considering both the dynamic impact of global and local cultural influence to the consumption behaviours.

- Managing social interactions within firms

  Thoene and Turriago-Hoyos address an issue related to the development of trust in a society experienced by a long period of conflict. Developing the study using the Colombian context, the authors argue that a discourse on the issue of trust on both at a society as well as a firm level is necessary to be addressed. In this paper, the authors contend that there is possible post-conflict scenario that potentially offers long-term cost savings to businesses. Such a scenario may open a window of opportunity to modernise relations among various groups in the society, which can undoubtedly be reflected in a workplace. To address the issue, the data collection of this study is based on primary data (i.e., in-depth semi-structured interviews with business leaders of firms coming from four economic sectors) and secondary data (i.e., survey data). The finding of the study shows that trust in the Colombian society has become more reciprocal rather than unidirectional or top-down as it has conventionally been perceived. As shown in the study, in the context of a workplace, both employees and employers are expected to be trusted. In particular, on the one hand, the employees need to signal that they can be trusted. On the other hand, the employers consider themselves being expected in increasing levels of trust and collaborative/cooperative practices.

- Managing interactions involving both competition and cooperation (coopetition)

  To reduce uncertainty, firms may conduct both cooperation and competition (coopetition) at the same time. As argued by the authors, the findings of previous studies on coopetition still come up with contradicting outcomes, particularly on how it needs to be organised. For example, concerning knowledge transfer and creation, by referring to a study conducted by Tenkasi and Chesmore (2003), the authors shows that both weak and strong connections can provide advantage and disadvantage. Apart from that, it is arguably that firms need to have absorptive capacity (Cohen and Levinthal, 1990) to be able to maximise their involvements in a coopetition. The mechanism and processes of managing coopetition in this knowledge-seeking alliance are however still quite less understood. With this theoretical background, Almahendra and Aulia seek to a better understanding on learning race phenomenon in an alliance of competing firms. Two research questions are posed. The first one is on how to reconcile cooperation and competition dilemma. The second one is on what is the best configuration of alliance portfolio that contributes to be dyadic learning performance in coopetition. The empirical data of this study is based on 680 patents from 136 firms in the biotech industry, which are patented between 1998 and 2002 and in the condition where R&D alliances leading to technological knowledge transfer and creation of new knowledge take place. Among the findings include strong ties between partners in coopetition rise the opportunity to access new knowledge. Nevertheless, excessively strong ties do not provide benefits for the coopetiting firms. As further argued by the authors, it is because such ties limit the firm' access to a wider scope of information and decrease the firm's flexibility to create new knowledge that differs from its partner.

- Managing interactions in an ecosystem

  It is argued by Pawitan et al. that entrepreneurship ecosystem is a topic that attracts the attention of various stakeholders from business players and regulators to other related co-working organisations. Using data taken from the Global Entrepreneurship Monitor and the World Economic Forum for the year 2015, the authors seek to understand the relationship between entrepreneurship ecosystems and national competitiveness. The findings of the paper show that entrepreneurship ecosystem and activities are influenced by social, political, and cultural aspects. Furthermore, the finding of this study also shows that entrepreneurship ecosystem is a fundamental factor in promoting a healthy entrepreneurship environment. In particular, it is found in the study that the entrepreneurship activities are important intervening variables in bridging the entrepreneurship ecosystem with national competitiveness. R&D transferred, the physical and services infrastructures are found to be primary pillars of the ecosystem fostering the national competitiveness. Based on the findings, the authors suggest that countries need to acknowledge their entrepreneurship activities, such as nascent entrepreneurship, new business, and established business. For strengthening competitiveness of their economy, it is specifically encouraged in this study that policymakers are expected to focus on impactful pillars, which are investment in R&D and both physical and service infrastructures.

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