

INVESTMENT OPPORTUNITIES IN INDIA – A STUDY

Dr. M. R. Senapathy

*Associate Professor, Siva Sivani Institute of Management,
Kompalli, Secunderabad, Andhra Pradesh, (India)*

ABSTRACT

India is one of the biggest and fastest growing developing economies and has attracted the most investor attention in recent years. After liberalization of the Indian economy in 1991, it has become one of the hotspots for global investment. Foreign investment (both foreign direct investment and foreign institutional investment) further enhanced India's economic growth and helped in transforming several sectors of the Indian Industry into globally competitive entities. India is also the world's second fastest growing economy and boasts of highly competitive private companies, a booming stock market, and a modern, well-disciplined financial sector. The Indian stock markets witnessed unprecedented buoyancy during 2009-11 post the recession of 2007-08. Strong macro-economic fundamentals, positive investment climate and sound business outlook drove the bullish trend. This research studies the growth of six key Indian Industries (Steel, Cement, Auto, Banking, Power and Telecommunication) over the past five years. The results show that the industries have recorded a robust growth during this time period and create great opportunities for investment. Further, the research compares India with four other leading developing countries (Brazil, Russia, China and South Africa) during 2009-11 and concludes that India is one of the fastest rising stars among all these major emerging economies with its economic growth rate running at over 6% annually.

I. INDIA, A REGIONAL PLAYER TO GLOBAL PLAYER

Since globalization hit India's shores in 1991, the country has made rapid economic progress. It is the world's largest democracy and a key regional player in Asia (Gupta and Govindarajan, 2008). A steadily growing GDP has moved India's position in the world scale of economies to the 4th position in 2001 from the 8th position in 1991 (Westhead et al., 2008). According to Griffin and Putsay (2009), India is now viewed as one of the major global manufacturing hubs in the world. Hill (2008) believes that the availability of cheap, technically competent labour force, along with government incentive has made the country particularly attractive as an alternate manufacturing base to the automobile industry. Perhaps the best indicator of the increasing prosperity of the country is represented by its rapidly growing, aspirational and high spending middle class comprising of nearly 400 mln people (White, 2009). Key to the development of the Indian economy post 1991 is the major reforms and industrial policies that Dr. Manmohan Singh, the then Finance Minister, put in place to reduce export barriers and reform India's monetary, fiscal and regulatory policies. In summary, all of these policies relax curbs on foreign investments in the country. The greatest manifestation of the effects of such policy is that post liberalization the Indian capital markets have changed with every sector growing dramatically be it primary, secondary, institutional investors or the derivatives market. Currently India has more than ten thousand listed companies. This is the second largest number in the world after the US when measured by number of listed companies alone (Agarwal and Ramaswamy, 2011). A key characteristic of an emerging market economy

is the increase in investment by both domestic and foreign players. Increased investment in turn points to the stable political and economic climate in that country and the high confidence placed by investors in that economy. This in turn attracts further investment. Thus it is important for an emerging economy to position and project itself as a must be destination for foreign investors. That the Indian economy displays this key characteristic of attracting more investment is manifested by the statistic that over the period 2005 – 2012, foreign firms have invested in more than 5000 Indian companies and businesses (Bachor, 2011). Notwithstanding its valuation risks, the country is increasingly becoming a manufacturing and production hub, a retail and tourist destination, a centre of higher education and medical treatment and most importantly the worlds biggest IT and IT enabled services (ITES) hub. On the one hand it is a fact that the development and opening of real and financial markets in India have created huge opportunities for multinationals and other foreign players to invest in the country. However, research conducted by indicated that investors do not invest more than 25% of their total capital in any emerging market. Thus the need to increase their confidence and thereby the amounts invested. While India may be an investment destination fraught with high economic returns, there are several pitfalls and downturns in investing in the country as well. One of these pitfalls of investing in India is the high trading expenses. Several other factors also conspire to impede investment in the Indian stock market. These include hurdles in accessing information, unfamiliarity with Indian languages, accounting and taxation systems, bureaucracy, red tapism as well as the religious customs and traditions of the land. It is primarily because of the potential coupled with the hurdles that capital markets in India have received much attention in the last few years. Many empirical studies such as those conducted by Wheeler and Hunger (2010), shows that investing in India can promise foreign investors improved returns with minimal risks. Given the significance of foreign investments in the economy of the country it would be desirable to investigate this issue further so as to highlight the sources of advantage that investing in India would bring. This article also analyze key industries in India including steel, cement, automobiles, banking, power and telecommunication and compare the factors of economic growth of India with those of other leading developing countries.

II. RESEARCH QUESTION

What are the factors that led to the growth of the Indian economy and what are the advantages of investing in India?

2.1 Aims & Objectives of the Research

- What are the factors that drive the growth of the Indian economy
- What benefits will accrue to investors who invest in India

2.2 Research Methodology

The methodology followed in this research is quantitative. The data needed for this study has been taken from secondary sources with latest information being collected from newspapers, books, magazines and journals.

2.3 Market Globalization

While Triad Markets of the US, Canada, the EU and Japan are getting saturated rapid opening of markets is foreseen in the BRIC Group, Latin American and East European countries as well as the Asian Tiger Block. An indication of this is that while business in the Triad countries for the period 1990 – 2007 was just 11%, for the same period Brazil grew 68% while China grew by a phenomenal 1336%. India registered a growth of 245 %

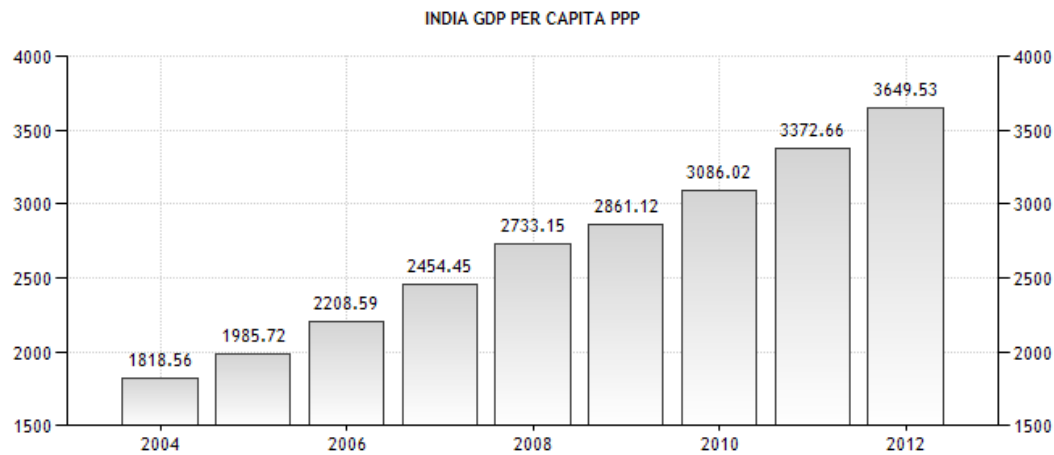
for the same period (Hellrieger and Slocum, 2009). These latter countries form what are called emerging economies. Thus globalization has resulted in an overall growth in the economic prosperity of developing countries, increased manufacturing, sales, industry and by rising income levels as well as a steadily growing middle class. This can be borne by the fact that in two decades from the 1980's onwards, the number of people surviving on less than \$1 per day decreased to 1.1 bln from 1.5 bln, which is a decrease in global poverty by nearly 20% in developing countries (Johanson and Vahlne, 2009).

III. FACTORS OF GROWTH IN INDIA

The spectacular growth of foreign equity markets (emerging and developed) has incentivized many investors around the world to expand their investment to emerging markets. Due to this expansion, cross-border equity flows, including purchases of non-domestic equities increased from \$100 billion in 2005 to \$8 trillion in 2010 (Anderson and Coughlan, 2010). In 1994, thirty-eight emerging stock markets were operating and their combined capitalization increased dramatically from the 1980s to the 1990s. This increase in the 1990s showed that more and more investors were realizing the potential opportunities that lay in the emerging markets. Several developing countries also liberalized their equity markets, allowing foreigners relatively unfettered access to them (Aaker, 2008). As a result of these liberalizations there was a sharp increase in capital flows to these equity markets. Economic growth accelerated in India because of improvements in both the rate of investment and productivity. In the 1980s, the growth in investments was fuelled by both growing public investments and private corporate investments and in the 1990s by a variety of growing private investments (Beamer and Varner, 2008). With respect to investor demand, the market environment, legal framework and understanding of markets are preconditions for investors to consider equity participation.

These conditions are met in India. Interdependence has increased across economies. The seeds of the boom in asset markets across the world were sown when large economies like the US and Japan brought their interest rates (cost of money) down to abnormally low levels to revive their economies. This unleashed a large amount of money into the global financial system, creating an unprecedented demand for all kinds of assets, including those in emerging markets like India. As too much money chased the assets, these economies found that inflation was moving up, along with some signs of growth. Further there is a big market for every product and service in India. For the first time in human history, more than a billion people are connected through wireless and PCs. This is cutting across developed and developing countries. China and India are emerging as large markets for wireless, and this ubiquitous connectivity will have a big impact on how business is done. Outsourcing is another factor that adds to India's growth. Over 50% of Fortune 500 companies outsource from India (Kerzner, 2009).

IT and IT enabled services are expected to grow from US \$14 billion in 2000 to US \$100 billion by 2013 (Piselli, 2008). Outsourcing also gains momentum in non-IT industries such as Automobiles where Ford, Toyota and Rover are major clients. The other things going in India's favour are a working democracy, rule of law and pursuing large -scale privatizations of state-owned enterprises. India can achieve faster growth based on labour-intensive manufacturing (so that its vast domestic workforce, which includes skilled managerial and engineering labour, is taken care of) with foreign capital and overseas markets.



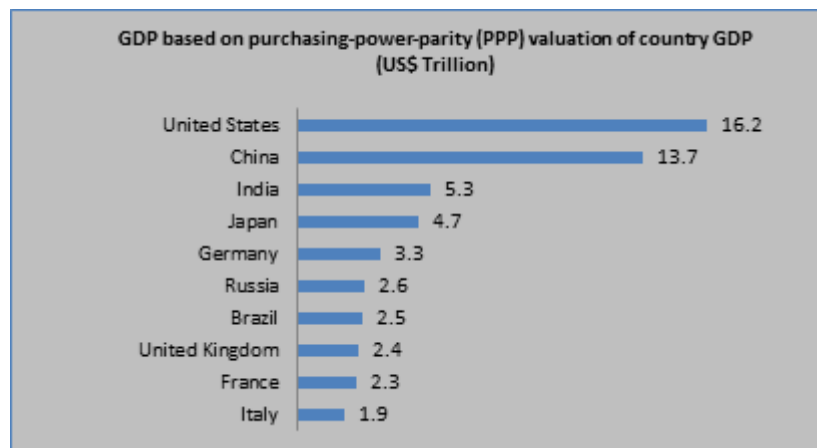
India GDP Per Capita PPT (Piselli, 2008)

3.1 Advantages of Investing In India

The first question investors ask is that why should they invest in emerging markets? Convincing arguments and evidence have been presented by both academics and practitioners. The GDP growth in India is strong. Inflation and interest rates are at record lows which translate to more readily available credit and as a result, the region is becoming less reliant on external growth, making it less susceptible to external shocks. India, with over 10,000 listed companies is the second largest market in the world (after the US) when measured by number of listed companies alone (Wheeler and Hunger, 2010). Across several performance criteria, these companies are amongst the best in Asia. They have strong management teams that are focused on delivering shareholder value. This is due in large part to India's strong accounting system, corporate governance and transparency.

India has experienced a difficult macro environment over the past decade. But forced to survive these lean conditions, Indian companies have become very efficient and now operate with tight margins. A number of Indian companies have also managed to establish a global reputation. These include Infosys, TCS, Wipro and Reliance amongst others. India's equity market is also performing strongly. According to India's stocks are trading at valuations more attractive than other areas in the Asia/Pacific region (White, 2009). Diversification is particularly important in emerging markets where individual country or company risks can be extreme. Evidence supports the notion that emerging markets consistently offer diversification opportunities to investors. Global investing is always superior to investing in only the investor's home market or one market. When combined with developed market assets, emerging market stocks have consistently provided diversification benefits. For example, allocating 20 percent of a portfolio to Indian stocks and the remainder to the S&P 500 would have allowed U.S. domestic investors to earn a higher rate of return at substantially lower variability than the S&P 500 alone would have given them during the 2000 - 2005 period (Westhead et al., 2005). 25% of people in the world under the age of 25 are in India, and a full 80% of the population is under 45 years old (Slack et al., 2009). That spells good news for investing in India in the future because an old population becomes a major drag on economic growth. A young population creates market for education, entertainment, cafes, fashion, books, music, and other products and services. Figure 2 shows that in the FY 2012, 47% or nearly 500 million people in India were in the age group 20-34 (Manning, 2009). Thus India may rightly be considered to be a young nation. India has several other significant advantages. It offers a large domestic market and low labor costs, its banking system is stable and it has a well-established legal system. With its dynamic growth and reform-oriented politics, India is an increasingly attractive place to do business. India is one of the fastest growing economies in the world and has emerged as a key destination for foreign investors in recent

years. Economic reforms initiated in 1991 have grown in scope and scale and yielded increasingly salutary dividends. One of them is the steady improvement in India's relative position in the global economy, reflected in New Delhi's growing influence in international institutions (G-8, G-20) and negotiating free trade areas (with ASEAN, EU) (Svante and Anderson, 2009). Another is the improved efficiency in the economy and adoption of international "best practices" in the production of a range of goods and services. A third outcome is India ranking amongst the top ten investment destinations since 2007-08, attracting US\$ 195 bn in FDI and US\$ 97 bn in FII over the past 5 years (Hussey, 2008). India's GDP has also grown at around 7.9 per cent between 2003 and 2012 as can be seen in Figure 3.



(Thompson and Strickland, 2008)

This trend, according to the International Monetary Fund (IMF)¹, is likely to continue for the next five years with an average GDP growth rate of 7.7 per cent per annum till 2017 (Thompson and Strickland, 2008). India's GDP for 2013, valued at US\$ 1.9 trillion at current prices is the 10th largest in the world. The government has set a target of 8 per cent during the current Five Year Plan (2012-2017), based on the demonstrated ability to sustain national economic growth despite the global financial crisis, Euro zone woes and the resultant slack external demand in recent years.

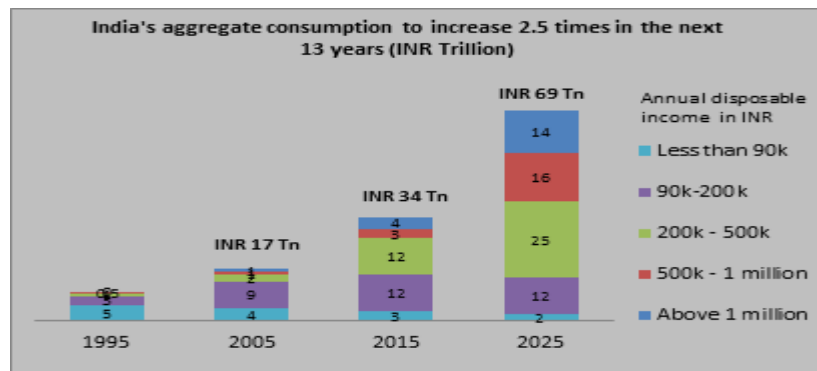
3.2 A Favourable Demography for Higher Growth

India not only supports one of the largest populations in the world, but also one of the youngest. Fifty per cent of its population is below the age of 25 and two-thirds below the age of 35 (Johnson and Scholes, 2010). Also, about 65 per cent of Indians are in the working age group of 15 to 64 years, giving the country a significant edge in terms of cost competitiveness and low labour costs (Gupta and Govindarajan, 2008). Moreover, India's labour force has a strong knowledge base with a significant English-speaking population, making it a top destination for multinational corporations that are looking to expand their overseas operations for market and talent. According to Agarwal and Ramaswamy (2011), *"Two hundred and fifty million people are set to join India's workforce by 2030. As a big chunk of the population shifts into the working age group, the offshoot of that is an increase in disposable income and conspicuous consumption. This is the most exciting aspect of India's demographic dividend."*

3.3 The Indian Consumer Market Will Grow 2.5 Times By 2025

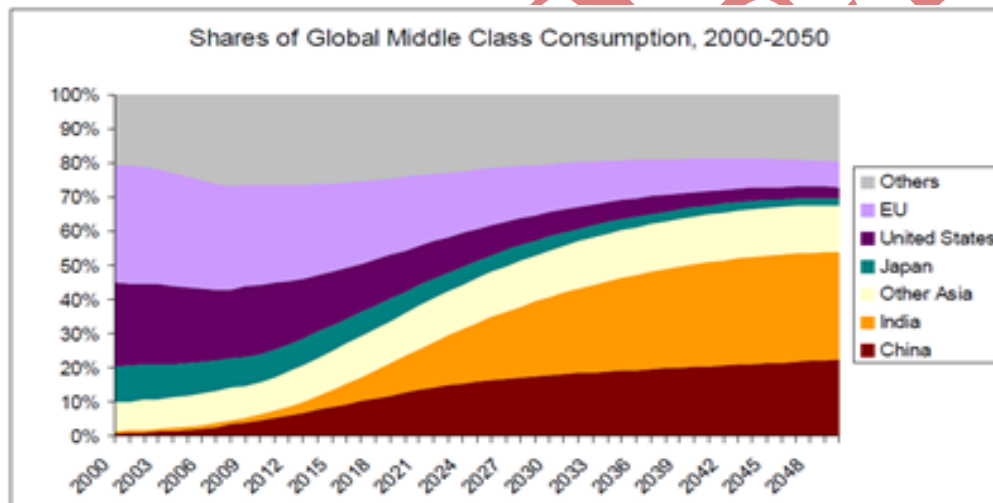
Consumer spending in India grew from US\$ 549 billion to US\$ 1.06 trillion between 2006 and 2011, putting India on the path to becoming one of the world's largest consumer markets by 2025 (Bachor, 2011). India's consumption is expected to rise 7.3 per cent annually over the next 20 years. By 2040, nine out of every ten

Indians will belong to 'the global middle class group' with daily expenditures ranging between US\$ 10 and US\$ 100 per person in today's purchasing power parity terms (Bachor, 2011).



India Aggregate Consumption (Bachor, 2011)

Seventy per cent of this expenditure will be on discretionary items like entertainment, healthcare, communication, education, personal products, services and so on. The absolute number of India's middle class will touch 1 billion by 2039, with its influence on global middle class consumption captured in figure 5 below (Cateora and Graham, 2009).

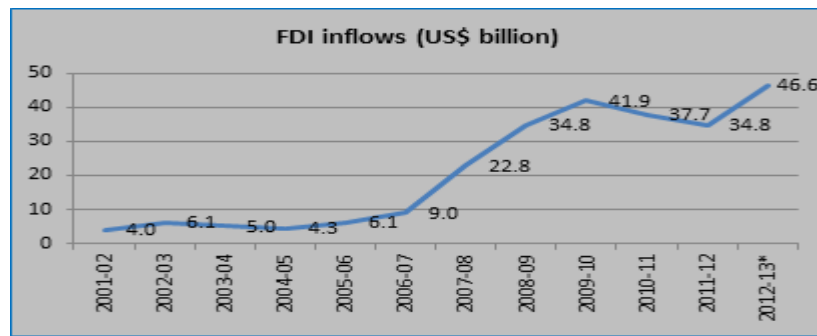


Middle Class Consumption (Cateora and Graham, 2009)

This rise of India's "new middle class" is globally significant as it will usher fundamental changes in India and around the world by triggering waves of innovation in the production, distribution and delivery of goods and services, including government services. Innovations - like the US\$ 2200 Nano car by Tata Motors, the inexpensive hand-held electrocardiogram (ECG) machine from GE Healthcare, a low-cost water purifier called 'Tata Swach' by Tata Chemicals, a battery-powered 'ChotuKool' refrigerator by Godrej, and a mobile phone application called 'Nokia Life Tools' by Nokia for rural consumers to access agricultural, educational and entertainment content - are some examples of frugal engineering that are primarily aimed at the Indian market, but will likely find buyers in many other parts of the world as well.

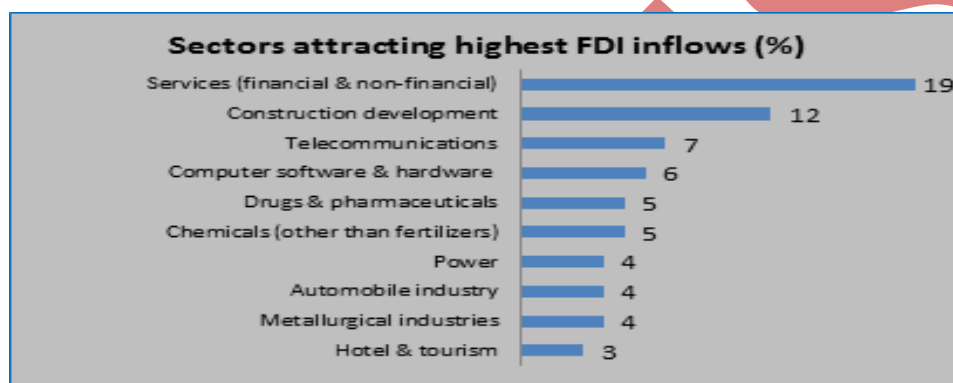
3.4 Foreign Direct Investment in India

Trends in India's Foreign Direct Investment (FDI) are an endorsement of its status as a preferred investment destination amongst global investors. India's strengths span telecommunications, information technology, auto components, chemicals, apparels, pharmaceuticals, and jewellery.



FDI Inflow (Czinkota and Ronkainen, 2010)

India's steady economic liberalization and its embrace of the global economy have been key factors in attracting FDI. The government recently opened up multi-brand retail and civil aviation markets to 51 and 49 per cent FDI respectively and with more reforms expected in insurance and pension sectors, among others, India will continue to offer compelling opportunities to the global investment community (Doole and Lowe, 2010).



Sectors Attracting Highest FDI Inflows (Doole and Lowe, 2010)

Doing business in India has advantages, with growing attractiveness. According to a study by Goldman Sachs, the Indian economy is expected to grow at the rate of five percent or more through the year 2050 -- which is far better than forecast growth rates in the U.S., currently at less than two percent. Such consistent growth and the abundance of a highly-skilled workforce makes India ripe for investments, and overseas business opportunities for those seeking to grow beyond the U.S. borders. The advantages of doing business and investing in India include a federal government system with clear powers established between the central government and state governments, a liberal and friendly investment climate, and liberal and clear policies on foreign direct investment from other major economies of the world. As for the ease of doing business in India, the country is considered on the lower end of the scale among 183 global economies -- with a ranking of 134 according to The Doing Business Project, which provides objective measures for business regulations and their enforcement (Deresky, 2009). Launched in 2002, The Doing Business Project looks at domestic small and medium-sized companies and measures the regulations applying them to their life cycle, according to the organization's Web site. But while India's 2011 rank is 134 out of 183, the country's doing-business conditions are improving, as India's rank in 2010 was 168 (Kerzner, 2009). Among the country's ease attributes, protecting investors and getting credit rank highest. India is ranked 32nd among 183 economies for getting credit, and 44th in protecting investors. Among the greatest challenges for doing business in India is dealing with construction permits (177 rank) and enforcing contracts (182 rank) (Kerzner, 2009). According to Piselli (2008), three factors can be identified as being the reason why investors are attracted to the financial markets of emerging markets: higher average returns; lower correlation with developed markets; and higher volatility.

3.5 High Returns

The advantages of investing in emerging markets for an investor depend on the return/risk ratio. Many empirical studies such as Hussey (2008) and Weger (2008), show that investing in emerging markets can promise foreign investors improved returns and reduced risk because there is a weak relationship between these markets and developed markets. Over the last 20 years, developing markets enjoyed average returns more than three times those of developed markets. Investors can minimize their portfolio risk and increase returns by investing in both developed and emerging markets. Composite Index was 19.7% as compared to 12.6% for the Financial Times World Index of developed markets. Further, Wheeler and Hunger (2010), observed that a dollar invested in the S&P 500 on December 31, 2000 was worth \$24.99 at the end of 2010 while the same dollar invested in an emerging market portfolio was worth \$92.28. The annual compound rates of returns were 15.75% for the S&P 500 and 22.84% for the emerging market portfolio. According to Cirano (2010), a large part of developing markets performance seems to be driven by few periods of excessively high returns. According to research conducted by in a sample of emerging markets from 2000 to 2005, annual geometric returns reached 602% in Venezuela in 2008. Harvey (2005), Errunza (2009) and Derrabi & Leseure (2010) provide evidence of non-normality, i.e., skewness with respect to distribution of returns in less developed markets. Their analysis shows that the degree of deviation from a normal distribution is significant. If we view riskiness as the contribution by a security to the overall risk of the investor's portfolio, evidence suggests that emerging market securities are very low-risk assets. This is because most of the domestic risk is diversifiable due to low return correlations with global portfolios (Errunza, 2009). Errunza & Losq (2010) contend that investors should not avoid the politically unstable regions of the world because investments in these markets might provide returns that outweigh the risks. According to Mahmud & Payne (2009), emerging markets equity was one of the best performing asset classes in 2003 and the MSCI Emerging Markets index average annual return has been 45.6%. India, which makes up 5% of the index, was one of the best performing markets in the sector in 2005.

3.6 Correlation

A number of researchers have suggested that there exists low correlations between emerging markets and developed markets and this implies portfolio investment opportunities. Divecha *et al* (2010) propose two explanations as to why emerging markets are less correlated with developed markets. First, many of the emerging markets have few economic and trade links with each other. Consequently, their economies tend to be unrelated. Second, many of the developing markets have severe restrictions on outsiders participating in their markets. Therefore, they are somewhat insulated from worldwide patterns in stock market returns. For example, in October 1987, while the world's markets were crashing, the Indian stock market was up modestly. According to Derrabi & Leseure (2009), low correlation between stock exchange markets can also be attributed to geographic factors, time zones, and opening hours. Divecha *et al* (2010) suggest that the emerging markets are much less correlated with each other than are the developed markets. They reported that the average correlation between the emerging markets was 0.07 over five years (2005-2010) whereas the correlation between developed markets was 0.49. While all the correlations between the developed markets were positive, 89 of the 276 correlations between the emerging markets were negative. India had about zero correlation with other emerging countries. However, from a global investor's point of view, a more important concern is not so much how the emerging markets relate to each other, but how they relate to the developed markets, individually and as group. Overall, the correlation between the Emerging Markets Composite Index and the Financial Times World Index was 0.34 between the five-year period, 2000-2005 (Divecha *et al*, 2010). Eaker *et al* (2009) note that the

correlation for emerging markets and the S & P 500 from 2005-2010 was around 0.09, a significantly low figure. According to the study by Divecha *et al* (2010), India had negative correlations with ten out of twenty developed markets with an average correlation of -0.01 .

	Argentina	Brazil	Chile	Greece	Korea	India	Mexico	Thailand	Zimbabwe	S&P 500
Argentina	1.00									
Brazil	-0.02	1.00								
Chile	0.14	0.04	1.00							
Greece	0.04	0.00	0.18	1.00						
Korea	0.13	0.04	0.13	0.12	1.00					
India	-0.07	0.02	0.10	-0.02	0.05	1.00				
Mexico	0.16	0.04	0.18	0.08	0.05	0.12	1.00			
Thailand	0.03	0.02	0.17	0.21	0.13	0.21	0.24	1.00		
Zimbabwe	-0.03	-0.01	0.17	0.13	0.13	0.08	0.04	0.09	1.00	
S&P 500	0.08	0.08	0.07	0.13	0.00	0.14	0.31	0.19	0.04	1.00

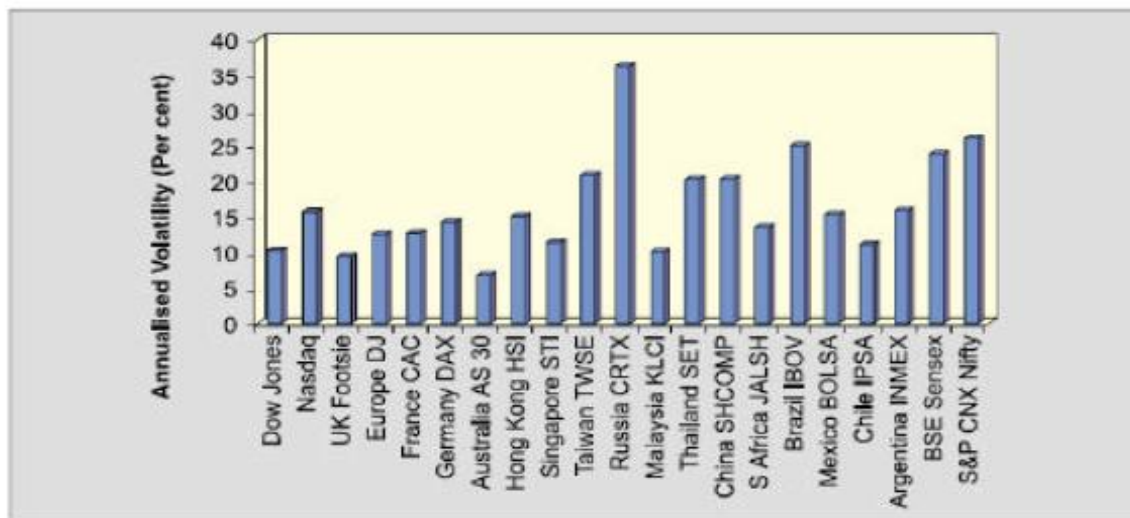
Comparison of India with Countries

The above table shows a correlation matrix for the 9 emerging markets and the S&P 500 from 2005-10. None of these correlations is greater than 0.30 and the correlation between the S&P 500 and India is quite low at 0.14. Some of the smaller and newer emerging markets however do not provide meaningful diversification benefits for U.S. stock portfolios. The correlations between those markets and the U.S. market are not low enough to offset the effects of high variability within individual emerging markets (Barry *et al*, 2009). For instance, Errunza (2009) reports in his analysis a substantially greater degree of serial correlation in the case of emerging markets versus developed markets. The current trend now for most of the emerging economies is to develop greater trade links with the developed world and each other. Most of the countries that are closed to foreign participation in their stock markets are also in the process of liberalizing rules for foreigners to participate in their markets (Harvey, 2009). Despite substantial economic and financial integration new studies should recognize that the evidence to date does not suggest increased return correlations. Increased economic integration need not translate into capital market integration, and capital market integration need not necessarily imply high correlations (Harvey, 2009).

3.7 Volatility

Various studies have reported that returns are highly volatile in emerging markets and high volatility also sometimes lead to high returns. The work of Harvey (2010), which is based on monthly returns, confirms such finding. For example Brazil, a volatile market registered a total return of 64.3% in 1996. There are a number of possible reasons why emerging markets are extremely volatile. They tend to be fairly concentrated, that is, the larger stocks have a high proportion of the overall market capitalization. As a result there are fewer opportunities for diversification and returns to these large stocks dominate the overall market return. Also, unlike the developed markets, which tend to have forces that affect diverse sectors of the economy differently, the emerging markets tend to have a strong market-related force that affects all stocks within a market. This tends to accentuate volatility (Bekaert and Harvey, 2009). Harvey (2010) showed that although emerging markets are highly volatile, a well-diversified portfolio of financial assets weakly correlated could reduce the overall portfolio volatility. According to Markowitz, adding volatile assets with low correlations to one's portfolio could actually lower the volatility of the holdings. One could get the biggest gain with the least pain by blending assets that have low correlations to one another. Marowitz (2009) developed a strategy known as optimization where one can identify ideal mixes of assets that deliver the highest return for however much

volatility one is willing to accept (Bodie *et al*, 2009). According to Morgan Stanley's India based economists, although Indian stock market presents high volatility, the risk in India remains lower as compared to other emerging markets. India's positive democratic factors, such as a vibrant corporate sector, viable capital markets and a strong long-term growth story lead to the relative volatility of Indian equities to rise. The volatility of BSE Sensex rose from 21.51 % in 2003-04 to 23.83% in 2004-05 (Hindustan times, 2010). According to the report by SEBI (2005-10), the developed markets, in general, had less annualised volatility during 2005 as compared to the volatility exhibited by the emerging market economies (Figure 3.2). The highest volatility among developed markets was observed in Nasdaq at 15.7 per cent and among the emerging economies in Russia at 36.4 per cent. In case of India, both Sensex and Nifty posted high annualised volatility at 23.8 and 26.1 per cent with positive returns of 16.1 and 14.9 per cent, respectively.



However, investments do not always behave as statistics suggest they will based on their past performance. Returns, volatility, correlations- can be estimated but not predicted with 100% accuracy (Updegrave, 2010).

IV. CONCLUSION

Emerging markets such as India are an asset class of growing importance. These markets will continue to be an important component of well-diversified portfolios, and some of today's emerging markets will become some of tomorrow's developed markets. The 2014 election and return of stable government under the dynamic leadership of Narendra Modi has tilted the scale more towards India. Evidence supports the notion that India consistently offers diversification opportunities, high returns and low labour costs to global investors. However, the existence of barriers to investment, poor infrastructure and the importance of specific risk, limit the investment in these markets thereby limiting their integration in the global market. The growth of investment in emerging markets then depends on their operational and informative efficiency. According to Will Clark, Regional Director of UK & Ireland, NAFTA (2010), "Despite the significant challenges that India faces, it also has the potential to be one of the world's superpowers before we reach the middle of this century."

REFERENCES

- [1] Aaker, D. (2008) Strategic Market Management. New York. John Wiley & Sons.
- [2] Agarwal, S., Ramaswamy, S. (2011) Choice of foreign market entry mode: impact of ownership, location, and internationalization factors. *Journal of International Business Studies*, Vol. 23, pp. 1 - 27.

- [3] Anderson, E., Coughlan, A.T. (2010) International marketing entry and expansion via independent of independent or integrated channels of distribution. *Journal of Marketing*, Vol. 51, pp. 71 - 82.
- [4] Bachor, D. (2011) Reformatting Reporting Methods for Case Studies. Paper presented at Australian Association for Research in Education, Sydney, New South Wales, Australia. December 2009.
- [5] Buffa, E.S., Sarin, R.K. (2008) Modern Production – Operations Management. Singapore, John Willey and Sons.
- [6] Beamish, P. W. (2009) Research in Global Strategic Management International Business Research for the Twenty -First Century. Canada's New Research Agenda, Greenwich, JAI Press.
- [7] Blythe, J., Zimmerman, A. (2008) Business to Business Marketing Management: A Global Perspective. North Yorkshire: Thomson Learning.
- [8] Czinkota, M., Ronkainen, A. (2010) International Marketing. Sydney, The Dryden Press.
- [9] Doole, I., Lowe, R. (2010) International marketing strategy-analysis, development and implementation. London, Thomson Learning.
- [10] Deresky, H. (2009) International Management. Managing across borders and cultures. New Jersey: Prentice Hall.
- [11] Johanson, J., Vahlne, J. E. (2009) The mechanism of foreign market entry. *Scandinavian International Business Review*, Vol. 3, pp. 9-27.
- [12] Grant, Robert M. 2002. Contemporary Strategic Analysis. Concepts, techniques, applications. Oxford, Blackwell Publishers.
- [13] Gupta, A.K., Govindarajan, V. (2008) Global Strategy and Organisation. United States of America, John Wiley and Sons Inc.
- [14] Hague, P. (1994) Questionnaire design. England: Clays Limited. St Ives Place.
- [15] Hellrieger, D., Slocum, J. (2009) Management & Globalization. United States of America, Addison – Wesley Publishing Company.