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Abstract

In light of the recent interest in the internationalization of multinationals from emerging countries (EMNCs), we propose an analytical framework that challenges the somewhat condescending way in which these global players have been portrayed. Case studies of Latin American multinationals provide empirical evidence of the way certain resource attributes – availability, transferability and substitutability – are related to the decision to exploit, develop or defend their resources in foreign markets. We find that the internationalization strategies deployed by EMNCs are similar to those of traditional multinationals in many respects. To characterize them as resource 'laggards' is an oversimplification and hinders the development of comprehensive theories of the internationalization of EMNCs.

Key words
Resource exploitation, resource development, resource defense, resource transferability, resource substitutability, resource scarcity, internationalization, emerging multinationals, Latin America.

1. Introduction

In the last 10 years, the increasing involvement of emerging multinationals (EMNCs) in the global economy has been remarkable. Their share of global FDI flows, for example, grew from 6% in 2001 to 25% in 2010 (Ramamurti, 2012). The number of multinationals from emerging economies in the *Fortune Global 500* increased from 19 in 1990 to 126 in 2012 – a quarter of the total.

The disruptive effect of these new players on the global scene has attracted increasing scholarly interest. Researchers have focused their efforts mainly on the differences between EMNCs and traditional multinationals in the western world (Guillén and García Canal, 2009), the internal and external drivers of their internationalization (Aulak, 2007), and the factors that determine where and how they invest abroad (Yeoh, 2011; Hwee and Michailova, 2008). Previous research has typically recognized the role played by resources[1] in the growth of EMNCs, with two interrelated conclusions: that their international expansion is not dependent on the prior possession of resources (Matthews, 2006; p.22), and that they make cross-border investments to overcome scarce resources, particularly technological capabilities (Amighini, Rabellotti and Sanfilippo; 2010; p254; Guillén and García Canal, 2009; p.33; Matthews, 2006; UNCTAD, 2006; Madhok and Keyhani, 2012). These assumptions have fostered a somewhat condescending view among some researchers whereby EMNCs are treated as "special cases", (Bartlett and Goshal, 2000; p.134) or dismissed as "creatures of protected home markets, beneficiaries of subsidizing lending, and technological laggards" (Guillén and García-Canal, 2010; p.ix).

We believe that such a view is not borne out by the empirical evidence on emerging players who compete with traditional multinationals by deploying their (own) leading technologies (Casanova, 2009a,b). Moreover, if we accept that scarcity of resources is a constant in EMNCs, then we must also assume that value creation by EMNCs in international markets is possible only through the acquisition of new or complementary resources (Madhok and Keyhani, 2012). Clearly, however, firms such as Tenaris and Petrobras have developed advanced technological knowledge internally and have used it to provide products and services to customers around the world. Additional evidence exists that the defense of resources (such as market share) has been the core of the internationalization strategy of firms such as Mexico's América Móvil, which initially invested in other Latin American countries to counter the growth of its competitors there.

Moreover, the assumption that EMNCs are "special cases" of internationalization without "any or scarce resources" leaves several questions unanswered: What resources form the base of their international investments? What strategies are followed by EMNCs abroad? From the theoretical perspective such questions are relevant because, notwithstanding the burgeoning literature on EMNCs, little is known about the resources on which their international expansion is based, or how these resources are related to the strategies they deploy abroad (Hitt, Bierman, Uhlenbruck and Shimizu, 2006). From a more applied perspective, managers and policy makers need to know how successful EMNCs relate resources to strategy so that they can learn from their experience and nurture the appropriate conditions to develop resources to compete abroad.

[1] Following Barney (1991), we define resources as the tangible and intangible assets that allow a firm to define its strategies to gain efficiency and competitiveness.

To address these questions, in the second part of this paper we develop an analytical framework that conceptualizes internationalization as a process of value creation based on firms' resources. Resources are defined as tangible assets – such as oil, iron ore, copper – and intangible assets like brands and in-house knowledge of technology, which are tied to firms (Wernerfelt, 1984) and which create heterogeneity between them (Penrose, 1959). In the third part we analyze the relationship between resource attributes and internationalization strategies. Using secondary data from case studies on Latin American MNCs (Casanova, 2009) we identify the strategies followed by these firms in foreign markets.

2. Internationalization as a value-creation strategy

Following Cuervo-Cazurra and Ramos (2005; p.117),we conceptualize internationalization as a value-creation process based on resources that are inherited or acquired – that is, obtained from the market as the basis for an expansion program (Penrose, 1959/2009; p.75). The investment strategies followed by EMNCs – their attempts to identify, protect and exploit their unique skills and resources (Tallman, 1991) – are constrained by, and dependent on, the tangible and intangible assets that they control (Wernerfelt, 1984) or lack (Penrose, 1959/2009) at a specific moment in time. Based on their endowment, firms follow a strategy of resource exploitation, development or defense when investing abroad.

2.1 Creating value through the strategy of resource exploitation

Resource exploitation consists of using pre-existing resources in foreign markets to create some kind of advantage (Caves, 1971; Hymer. 1976). A firm that has derived an advantage from its resources in its domestic market may seek to use those same resources (or combination of resources) abroad to enhance profitability (Porter, 1990), economies of scale (Hitt, Hoskisson, and Kim, 1997), diversify risk, or overcome competitive pressures (Aulak, 2007; Cuervo-Cazurra; 2008).

Casanova (2009) showed how some Latin American MNCs followed a resource exploitation strategy to go international. For example, América Móvil used its knowledge of customers in emerging countries to create an innovative business model (pre-paid phone cards) to diversify its markets and achieve economies of scale. The advantage of this strategy is that the firm exploits its home business model abroad, although this advantage may be limited to 'natural' markets where the benefits of the business model are preserved.[2]

2.2 Creating value through the development of resources

A firm engages in resource development if acquires new or complementary resources in order to improve its ability to compete globally (Yiu, Lau and Bruton, 2007; Makino, Lau and Yeh; 2002). The main idea is to substitute for the internal development of resources or capabilities by acquiring resources abroad that are new to the firm but not necessarily new to the market (Hitt, Hoskisson, Ireland and Harrison, 1991).

Some Latin American MNCs have used this strategy to create value abroad (Casanova, 2009a,b). For instance, the Brazilian firm Politec acquired a North American company (Sinergy) to access a leading technology in iris recognition that was unavailable in the Brazilian market. Others have focused on natural resources – Petrobras and Vale, for example, both developed their resources through the acquisition of raw materials abroad.

[2] 'Natural' markets of a multinational are countries that have geographical proximity, share the same linguistic, and/or common historical/cultural links with the country of origin of the firm (Casanova, 2009; p.11).

Vale's acquisition of the Canadian Inco in 2006 allowed the company to move into the mining of nickel.

2.3 Creating value through the defense of resources

Firms create value abroad if and when internationalization offers a defense against the loss of a resource that provides some kind of advantage (Cuervo-Cazurra and Ramos, 2005; Tsai and Eisingerich, 2010). Resource defense strategies are driven by EMNCs seeking to protect their global market share (or global market position), since the resource creates competitive barriers like customer loyalty and switching costs, increases the productivity of other assets, and allows the firm to charge premium prices for its products and services.[3]

Threats to market share that prompt EMNCs to go international can take the following forms: (a) a 'follow-the-client" strategy (e.g. example, a major customer is moving abroad or an important foreign customer requires that the EMNC co-locate a manufacturing facility to maintain a commercial relationship); (b) competitor-driven threats (e.g. a major competitor improves its position in foreign markets through acquisitions, strategic alliances or another way); (c) market-driven threats (e.g. the main market is saturated or is politically and economically volatile); (d) industry-driven threats (e.g. an industry decline associated with the natural business cycle).

To maintain their market share, some EMNCs have followed their clients to foreign markets, investing abroad in order to avoid losing the relationship (Tsai and Eisingerich, 2010). For instance, the Argentinean firm Tenaris built a plant in Saudi Arabia in 2010 to serve its client Saudi Aramco, owner of the world's largest proven crude oil and gas reserves.[4] [5] With this investment Tenaris not only maintained the relationship with Saudi Aramco, but also increased its volume of business – and market share – in the Middle East.

Others have invested abroad to restrain the pace of growth of their competitors. For example, in 2002 América Móvil began a series of acquisitions of wireless operators and assets in Brazil to reduce the market power of rivals Spanish Telefónica and Telecom Italia.

In the face of market-driven threats, some EMNCs have invested abroad to diversify their markets and reduce their dependence on a small number of clients or on markets with low growth prospects. Vale, for instance, invested in Norway in 2003, seeking new markets for manganese products mined in Brazil when access to its main market (United States) was restricted by trade sanctions (Casanova, 2009a,b; p.38).

To defend their market share against industry-driven threats, still others have invested abroad to diversify their portfolio and reduce their dependence on industries caught in a declining business cycle. Petrobras, for example, invested in alternative sources of energy in view of the depletion of oil and gas reserves in the long term.

These strategies – exploiting, developing, and defending resources – are driven by different logics: exploitation and development are proactive, whereas the defense of resources is a

[3] Although market share has been treated as a result of the efforts of the company to attain market differentiation (Jacobson, 1988; p.78), here we consider market share as an intangible asset rooted in the relationship between the firm and key external stakeholders such as customers, providers, governmental agencies, etc. (Srivastava, Shervani and Fahey, 1998)

[4] http://www.aramcooverseas.com/en/about-us/about-saudi-aramco

[5] http://www.oilreviewmiddleeast.com/industry/400-tenaris-inaugurates-saudi-plant.html

reaction to a threat to market share from a client, competitor, market or industry. Moreover, each is related to specific resource attribute, as discussed below.

3. Resources and value-creation strategies of EMNCs in foreign markets

Although in our view resources are the main driver of internationalization among EMNCs, the control or scarcity of those resources will impact the decision to invest abroad and the selection of a value-creation strategy in different ways. In this section we analyze how the availability (for the firm and for the industry), transferability, and substitutability of a resource impact the decision to move abroad and shape the EMNC's strategy in foreign markets.

3.1 Resource attributes and value creation through resource exploitation

The availability of a resource is related to its scarcity in the market (Barney, 1991). To understand its relationship to the decision to internationalize and the value-creation strategy adopted, its availability has to be considered simultaneously at the level of the firm and the industry. For instance, if a firm derives an advantage from the control of a resource that is not available to its competitors (i.e. it is scarce at the industry level), it will tend to follow a strategy of resource exploitation.

To illustrate, the knowledge of low-income consumers that allowed América Móvil to create the prepaid telephone card model to expand across Latin America was a unique resource developed through its operations in its home market (Mexico), while rival Telefónica was focusing its plans on wealthier client segments. The resource was available to América Móvil but not to its competitors (that is, it was scarce at the level of the telecom industry). This contrasting availability gave it an opportunity to derive an advantage from foreign markets by exploiting the prepaid model in countries with similar consumers.[6]

The decision to exploit a resource abroad will also depend on its substitutability, that is, the ease with which it can be replaced by another that renders a similar service (Peteraf and Bergen, 2003; p.1028). If the resources on which a firm bases its advantage are easy to replace, there will be less incentive to exploit them by investing abroad if competitors can derive a similar advantage with alternative resources (Wernerfelt, 1984; p.174).

Beyond issues of availability, scarcity and non-substitutability, a resource must be *transferable* between countries in order to be exploited abroad (Cuervo-Cazurra, Maloneyand Manrakhan, 2007; p.713). As indicated, the opportunity for América Móvil to create value in Latin America was enhanced by the similarities in its natural markets (as described by Casanova, 2009) in terms of culture, language, religion and economy, which facilitated the transfer of its business model (prepaid cards) across the region to create a market advantage.

In summary, an EMNC that derives an advantage from the control of/access to resources that are scarce in its industry, non-substitutable and transferable between countries is likely to follow a strategy of resource exploitation in foreign markets.

3.2 Resource attributes and value creation through resource development

When an EMNC requires a resource to create a market advantage, the motivation to invest abroad is initially shaped by its availability (quality and quantity) in the home market. If these

[6] América Móvil's competitors copied the model and later focused on prepaid as well. Prepaid cards were originally developed in Italy in the 1970s for vending machines. América Móvil was one of the first companies to see their use for mobile phones.

are similar at home and in foreign markets, there will be little incentive to invest abroad because it can access the resources it lacks locally. However, if the quantity and quality are better abroad than in the home market, EMNCs will have a greater incentive unless a substitute can be found.

For example, Politec needed a specialized technology in iris recognition to gain in competitiveness and to offer a service in the United States. Since the required technology was scarce in the industry and non-substitutable, it acquired a North American technology company (Sinergy) to access it.

In addition to scarcity (at the firm and industry level) and lack of substitutes, the decision to go international to develop resources will also depend on the transferability of the resource between countries. If the targeted resource is highly transferrable it may be imported, for example; if not, the firm has a strong incentive to move abroad to acquire such resource. For instance, the transferability of the technology required by Politec from the USA to Brazil was restricted because the demand for this technology came exclusively from the North American market.

In summary, if EMNCs require resources that are scarce in the industry, are non-substitutable, and are not transferrable between countries, they are likely to follow a strategy of resource development in foreign markets.

3.3 Resources attributes and value creation through the defense of resources

When market share is threatened by the actions of their customers/competitors, or by conditions in the market/industry, EMNCs may defend this resource by going international. At the firm level, market share can be regarded as an asset that the firm does not control but is available to some degree (Srivastava, Fahey and Christensen, 2001; p.779). At the industry level, market share can be regarded as a scarce resource (low availability) because the total market size and the possibilities for market share growth are limited for all firms (by transaction costs, imperfect competition, and asymmetric information), especially where firms compete in highly concentrated industries (Hannan and Carroll, 1992).

Market share has low transferability between countries because it is based on the firm's relationships with customers, governments and distributors (Srivanava et al., 2001), which are difficult to replicate between countries given variations in economic systems, cultural values and institutional structures. Moreover, benefits derived from market share like reputation, information spillover, or the threat of retaliation for competitors (Borenstein, 1991; p.1240) are non-substitutable.

The difficulty of replacing market share as a source of advantage, in addition to its low transferability and low availability in the industry, impels EMNCs with global ambitions to defend this resource when it is threatened. It was the importance of market share that explained the move by Tenaris in response to Saudi Aramco, the aggressive acquisitions by América Móvil to slow the growth of Telefónica and Telecom Italia in Brazil, and the defensive behavior of Vale and Petrobras in response to the instability of the market and the industry respectively.

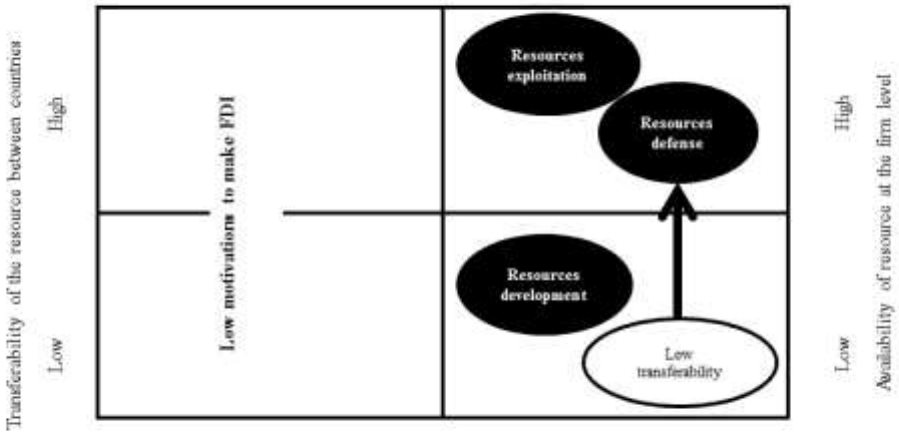
In summary, whether resources are under threat, controlled or required to create market advantage will determine the strategy followed by an EMNC abroad. (Figure 1 summarizes the relationship between resource attributes and internationalization strategies). Our analysis

suggests that resources which are highly substitutable and highly available in the industry do not motivate EMNCs to invest abroad (quadrants I and III), whereas those that are not substitutable or not available (scarce) seem to be at the core of the decision to internationalize.

For instance, if a firm controls, lacks or has under threat a resource which is highly substitutable and highly available in the industry, it will have little incentive to invest abroad to exploit, acquire or defend this resource. But if the same resource is non substitutable and scarce in the industry, the firm will be driven to invest abroad following a strategy of resource exploitation, development or defense depending on the availability of the resource for the firm and on its transferability across countries (quadrants II and IV).

Figure 1. Attributes of resources and value-creation strategies in foreign markets

Figure 1 Characteristics of the resources and value creation strategies in foreign markets



Source: Authors

4. Value-creation strategies – case studies of Latin American MNCs[7]

In this section we use case studies by Casanova (2009) to identify the main resources related to the internationalization of Latin America MNCs and to classify the value creation

[7] Cases from Latin American companies are used to illustrate our ideas; no attempt is made to predict the future performance of the companies analyzed.

strategies according to the resources involved. To do so, the resources are classified as a function of their transferability and availability to the firm (see Table 1).[8]

Table 1. A Comparison of resource attributes and internationalization strategies

High Transferability between markets Low

Low Availability for the firm High

I (Exploiters)

Resource	Firm example
1. Know-how (marketing: brand & distribution)	Astrid y Gastòn, Concha y Toro, Bimbo, Pollo Campero
2. Market knowledge	América Móvil, Cemex
3. Innovative capability	Tenaris
4. Know-how (production)	Petrobras

II (Defenders)

Resource	Firm example
Market share	
- Customer driven	Tenaris,
- Competitor driven	América Móvil, Cemex, - Politec
- Market driven	Vale, Bimbo, Cemex, Amèrica, Embraer
- Industry driven	Petrobras

IV

EMNCs use another form of access to resources lacked (e.g, imports)[9]

III (Developers)

Resource	Firm example
1. Leading technology / knowledge.	Bimbo – Politec - Natura
2. Financial resources	Cemex
3. Know-how (marketing: brand & distribution)	Bimbo.
Natural resources	Vale, Petrobras

Source: authors

Quadrant I: Resources available for firms and transferable between markets

In this quadrant we find the *exploiters*, i.e., firms that create value by transferring to international markets resources that they have developed in their home countries. The main resources transferred are knowledge-based assets, particularly, brands, innovative capability, specialized production knowledge, and market knowledge.

Astrid & Gastón, Concha & Toro, Pollo Campero and Bimbo all developed markets brands in their home markets which were exploited in their natural markets abroad, that is, in markets where the attributes, benefits, and attitudes linked to the brand were retained thanks to low contextual differences between home and host countries (i.e. in religion and culture) (Ambos and Ambos, 2009; p.4).

Another group of firms in quadrant I exploited the market knowledge that they developed in their home countries abroad. Cemex, for instance, learned in Mexico that customers in

[8] The availability to the industry and substitutability of the resources are not considered here because, as noted earlier, scarcity at the industry level and the difficulty of replacing the resource as a source of advantage are the core attributes that motivate internationalization of EMNCs.

[9] These resources are not analyzed here because they can be accessed by firms in alternative ways to internationalization. For instance, if a firm identifies the source of a required resource (e.g., specific technology), the firm can access it through imports, for instance, although the technology is non-substitutable or scarce in the industry. This kind of situations is beyond the scope of this article and deserves a new research.

emerging markets did not want mere cement; as a result, the company switched its marketing focus in Latin America from a functional to an emotional appeal (Casanova, 2009a,b). In Mexico, América Móvil created a business model (prepaid cards) tailored to the characteristics of low-income consumers, and replicated the model throughout Latin America. The market knowledge developed by Cemex and América Móvil was transferred to and exploited in countries with economic, political, and cultural similarities to the Mexican market (natural markets).

In addition to using specialized knowledge to innovate or to explore oil in ultra-deep waters, Tenaris and Petrobras developed mechanisms to transfer these assets between countries. Tenaris developed a global network of R&D centers that fostered its innovative capability to respond swiftly to the demands of its customers around the world with low-cost products. Petrobras created a center to develop specialized knowledge in ultra-deep water exploration and production (PROCAP) and trained a taskforce to systematically apply this knowledge by itself or in association to other companies around the world.

In contrast to many Latin American EMNCs that exploited their brands or market knowledge in natural markets, Tenaris and Petrobras went beyond their natural markets to exploit their resources. We believe that the difference in geographical scope was due to the fact that Petrobras and Tenaris developed knowledge whose value was not limited by contextual factors like culture, language or religion.

Quadrant II: Resources available for firms with low transferability between markets (market share)

In Quadrant II we see the *defenders*, that is, firms which invested abroad to avoid loss of market share – a resource that was non-transferrable, non-substitutable and under threat. As we posited earlier, the investments of Tenaris in the Middle East are an example of value creation through the defense of market share against customer-driven threats. Furthermore, the acquisition of RMC by Cemex to restrain the growth of Holcim and Lafarge (its principal global competitors) is an example of an international acquisition to defend market share from competitors (Casanova, 2009a,b; p.128). In the same vein, the investments of América Móvil in Brazilian Market and Politec in China were propelled by threats from their global competitors.

Another group of companies in quadrant II invested abroad to defend market share against market-driven threats. The initial foray into foreign markets by Cemex, Bimbo and América Móvil was an attempt to diversify their markets since local opportunities for growth were constrained (Casanova, 2009a,b). Vale was forced to invest abroad since its main markets were inaccessible as a result of political decisions. With a similar defensive purpose, Embraer bought a Portuguese company experienced in building helicopters and entered China to diminish its dependence on the North American market and on the commercial aviation business.

Vale and Petrobras used defensive strategies when their global position was threatened as a result of changing industry dynamics. Petrobras invested locally and abroad (Mozambique) in new sources of energy given the depletion of oil and gas, to protect itself from future pressures stemming from the scarcity of raw materials. Vale diversified its portfolio, transforming itself from a firm focused on iron ore to becoming a “one-stop shop” for the steel industry in an attempt to shield the company against iron ore price volatility.

The geographical scope of resource developers was not limited to natural markets (e.g. by similarity in culture) because the decision to invest abroad depended on the market selections made by their competitors and customers, and the location of the resources required to defend their market share of market and/or industrial turbulences.

Quadrant III: Resources characterized by low availability to firms and low transferability between countries

In this quadrant are the *resource developers*, that is, firms that created value abroad by acquiring new resources to improve their ability to compete in global markets. The resources related to this strategy were intangible (marketing resources) and tangible (technology, financial, and natural resources) and were non substitutable and non-transferable between countries. For instance, in 2011 Bimbo acquired marketing resources in Spain and Portugal (e.g. brands and distribution networks) as a first step to enter the European market. In 2011, it acquired Bimbo Spain, a subsidiary of Sara Lee and a well-known brand in that country. In the same vein, Cemex created a holding company in Spain in 1992 as a way to access cheap financial resources to leverage its future international acquisitions.

Natura and Politec both invested abroad to gain access to scarce and non-transferable knowledge assets. While Natura invested in France seeking market knowledge and leading R&D, Politec acquired a company in US to improve its ability to compete in the North American market. Vale and Petrobras invested abroad to acquire natural resources that were scarce and non-transferable between countries. Vale acquired mines of non-ferrous metals to diminish its dependence on the iron ore market, while Petrobras invested in new sources of energy to increase its product portfolio.

As in the case of resource defenders, the geographical scope of the international investments by *resources developers* was not limited by the cultural similarity between home and host countries, but by the availability of the required resources.

Mixing strategies of value creation

The empirical evidence suggests that Latin American MNCs combine several strategies of value creation when investing in foreign markets. Some focus on one strategy (e.g. exploitation) while others mix the three strategies of value creation. Pollo Campero and Astrid & Gastón are in the first group because their internationalization was based on the exploitation of their brands in their natural markets or in countries with a large latino population (Pollo Campero invested in Miami and Los Angeles; Astrid & Gastón in Latin America and Spain). In the second group, Cemex and Petrobras have mixed the exploitation and development of their resources and the defense of market share as a way of guaranteeing growth in the future. Between these two extremes are companies that have combined resource exploitation and development (Natura, Bimbo, América Móvil), that is, the exploitation of market knowledge in Latin America with the acquisition of new resources in Latin America, North America and Europe), or a blend of resource development and defense (e.g. Vale and Politec).

Why do Latin American EMNCs differ in the variety of strategies followed? We can advance a hypothesis, although we do not have enough evidence to prove our ideas. One possible explanation comes from the industrial environment in which firms compete. Those that compete in highly standardized industries (where the final product of all competitors is similar) are able to exploit their resources in a larger number of markets than those where differentiation (e.g. through marketing) is a requirement to be successful. For instance,

Petrobras and Cemex can exploit resources such as knowledge in more countries than companies like Pollo Campero or Astrid & Gastón whose brands have a strong cultural aspect.

Pressures to defend market share are higher in the oil and cement industries than in the food industry since market leaders (like Cemex and Petrobras) have strong market positions and are pressed to defend them from rivals. In the race to defend their market share, sometimes firms are compelled to acquire new resources (e.g. new technologies, sources of raw materials) in order to strengthen their competitive position in the industry. Hence the pressure to mix strategies is higher in the first group than the second.

Firm-level factors also explain the differences in scope of strategies. The companies that feature in the analysis of Casanova (2009) differ in their international experience. Companies like Petrobras or Embraer started their operations abroad in the 1970s, while Astrid & Gastón made its first foray abroad at the end of the 1990s, and Natura in 2005. These differences in experience in foreign markets are reflected in firms' accumulated resources (e.g. reputation, networks, etc.), which have an impact on the way their internationalization strategies are conceived and applied.

Another explanation is the ownership structure of the companies. The biggest state-owned (or parastatal) companies like Petrobras and Embraer originally started their foreign forays with government help, which enhanced their privileges and bargaining power when entering foreign markets. Conversely, private firms (often small or medium-sized companies) like Politec and Concha & Toro embarked upon international expansion without such political or financial muscle. Such factors may explain the differences in the path and scope of the internationalization of Latin American MNCs.

4. Final remarks

This analysis of internationalization as a process of value creation suggests sheds light on EMNCs' internationalization. First, EMNCs are not the 'resource laggards' they have been portrayed as in some international business research (e.g , Madhok and Keyhani, 2012; Nayar, 2008; Mathew, 2006), given that they have developed in their home countries world-class tangible and intangible resources that they have exploited abroad such as their brands and innovative capability.

There is no apparent reason to suppose that the advantages created or acquired by Latin American multinationals from their resources are less valuable than those created by traditional multinationals. This notion raises an intriguing question because it suggests that similar advantages can be created or acquired in economic or institutional environments that are different from those in developed countries (Casanova, 2009a,b; Khanna and Palepu, 1999). Evidence provided by Casanova (2009a,b) suggests that in Latin American countries where institutions differ from the developed world, firms create or acquire complex resources to dispute global leadership with traditional multinationals.

Second, despite the evidence that acquiring new resources is a frequent internationalization strategy followed by EMNCs, we argue that this behavior is comparable, in terms of strategic motivation, to the behavior of traditional multinationals when investing abroad in order to warrant the access to resources that they require to create or maintain their market advantage.

Third, beyond the exploitation and development of new resources, Latin American EMNCs also invest abroad in order to defend their market share – in the same way that traditional MNCs invest in a specific country to reduce the risk of attack by rivals, diminish the negative impact of general trends in the market or industry, or in response to the requirements of their customers.

Fourth, the use of strategies of development and defense of resources through internationalization explains why EMNCs' behavior does not conform to traditional theories of internationalization (Johanson and Vahlne, 1977; Vernon, 1966). The pressure to acquire new resources or to defend a market position impel EMNCs to start their internationalization in markets where they have little knowledge, but this is not to imply that they are using a "wrong way" to be multinationals (Ramamurti, 2012) – they are simply acting as global companies that see the world as a global market.

The comparability of their strategic intentions in terms of the exploitation, development, and defense of resources through internationalization raises new questions about the differences in the internationalization of emerging and traditional multinationals: Are they really different? Why do EMNCs behave differently? Further comparative analyses are required to advance in these questions and develop more comprehensive theories of the internationalization process of EMNCs. Additional research is also required to advance our analysis of the relationship between the resource attributes, motivation, and internationalization strategies. A cross-industry or cross-country analysis should be made to establish the mechanisms that relate the scarcity, transferability and substitutability of the resources to strategies of exploitation, development or defense of resources in foreign countries by EMNCs.

Finally, our analysis suggests that these strategies are not mutually exclusive. The evidence from Casanova (2009a,b) shows that it is possible to combine strategies abroad. However, future research is required to establish under what circumstances it is possible to combine these strategies and the implications of this for firms in the long term.

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