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Abstract (English)

This work investigates the strategies of Western firms entering the Indian retail market, emphasizing the role of host-country contextual factors. Using a semi-systematic literature review, the study analyzes 45 final papers to categorize these factors into four levels: macro, meso, micro, and situational. Macro-level factors, such as economic growth and regulatory frameworks, are found to be critical in shaping strategic decisions. Meso-level factors, including cultural diversity and urbanization, highlight the importance of adapting to India's regional complexities, while micro-level factors, such as market infrastructure and consumer behavior, are essential for operational success. Situational factors are acknowledged as context-specific influences that complement broader analyses. By synthesizing existing studies, this research highlights the importance of tailoring strategies to India's unique contextual factors. The findings demonstrate that adapting to these factors significantly enhances the success of foreign market entry. Furthermore, this study provides actionable insights for managers and contributes to academic discussions on market entry strategies in emerging economies, offering a robust framework for navigating the challenges and opportunities of the Indian retail market.

Abstract (Deutsch)

Diese Masterarbeit untersucht die Strategien westlicher Unternehmen beim Eintritt in den indischen Einzelhandelsmarkt und legt den Fokus auf kontextuelle Faktoren des Gastlandes. Mithilfe einer semi-systematischen Literaturrecherche analysiert die Studie 45 finale Publikationen und kategorisiert diese Faktoren in vier Ebenen: makroökonomische-, mesoökonomische-, mikroökonomische- und situative Faktoren. Makroökonomische Faktoren, wie Wirtschaftswachstum und regulatorische Rahmenbedingungen, spielen eine zentrale Rolle bei der Gestaltung strategischer Entscheidungen. Mesoökonomische Faktoren, darunter kulturelle Vielfalt und Urbanisierung, verdeutlichen die Bedeutung der Anpassung an regionale Besonderheiten in Indien. Mikroökonomische Faktoren, wie Marktinfrastuktur und Verbraucherverhalten, sind entscheidend für den operationellen Erfolg, während situative Faktoren als kontextspezifische Einflüsse anerkannt werden, die umfassendere Analysen ergänzen. Diese Arbeit leistet einen Beitrag zur akademischen Diskussion, indem sie bestehende Studien zusammenführt und die Bedeutung maßgeschneiderter Strategien hervorhebt, die an die einzigartigen kontextuellen Faktoren Indiens angepasst sind. Die Ergebnisse zeigen, dass die Berücksichtigung dieser Faktoren den Erfolg ausländischer Unternehmen beim Markteintritt in Schwellenländern erheblich steigert und bieten zugleich Einblicke für Manager sowie ein robustes Rahmenwerk, um die Herausforderungen und Chancen des indischen Einzelhandelsmarktes zu navigieren.

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List of Abbreviations

ADO	Antecedents, Decisions, Outcomes
BRIC	Brazil Russia India China
CSR	Corporate Social Responsibility
DIPP	Department of Industrial Policy and Promotions
FC	Firm Context
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HCC	Host Country Context
IBEF	India Brand Equity Foundation
IRL	Integrative Literature Review
JCR	Journal Citation Report
LR	Literature Review
MES	Market Entry Strategies
MHA	Ministry of Home Affairs
NCAER	National Council of Applied Economic Research
OLI	Ownership, Location, and Internalization
PRICE	People Research on India's Consumer Economy
RBV	Resource Based View
SLR	Systematic Literature Review
SME	Small and Medium-sized Enterprise
SSLR	Semi-Systematic Literature Review
TCA	Transaction Cost Approach
TCCM	Theories, Constructs, Contexts, and Methods
WOS	Web of Science

1. Introduction

1.1 Problem Statement and Objectives

1.1.1 Background

In today's interconnected world, how global companies from developed countries step into new markets, especially those in emerging regions, really matters. India, with its own set of economic, cultural, and political characteristics, presents these firms with a mix of challenges and opportunities. The Indian market is thriving with economic activity and is home to a growing number of affluent consumers, and evolving market dynamics, making it both appealing and challenging for companies looking to grow internationally.

Starting to sell products in new countries, especially those characterized by rapidly growing populations and market dynamics such as India, is a complex task. India's market is diverse in its population and rich in its social and cultural traditions, making it a challenging place for foreign companies, especially those in the retail industry. Research, like the studies conducted by Berger (2014), shows how important it is to understand the culture and build strong local connections to succeed in markets such as India. Moreover, since India's market is constantly changing, with new rules for foreign investments and tough competition, companies need a smart and sensitive plan for entering the market. This was pointed out by Mann and Byun in 2011, who discussed the challenges and strategies needed for foreign brands in India.

1.1.2 The Indian Market

The Indian market is characterized by its significant growth potential and complexity, which is shaped by its unique socio-economic and cultural dynamics. As one of the fastest-growing economies globally, with an expectation to become the third largest by 2025, India offers unparalleled opportunities for foreign firms. The retail and consumer sectors, in particular, reflect the country's economic vitality, with the stock market standing out as a beacon of investment opportunities (Tiwari, 2023; Agarwal, 2022).

1.1.2.1 Economic Overview

India's economic landscape is characterized by a mix of traditional sectors and rapid modernization. The transition from a primarily agriculture-based economy to a more diversified one, including manufacturing and services, underpins its growing attractiveness to

foreign investors. The liberalization policies of the 1990s and subsequent reforms have significantly enhanced the business environment, making India a lucrative market for foreign investments (Agarwal, 2022). Moreover, government initiatives supporting foreign direct investment (FDI) further bolster this attractiveness.

1.1.2.2 Demographics: Population Size and Distribution

With over 1.3 billion people and increasing disposable income, India presents a dynamic and diverse demographic profile. Significantly, the large Indian population includes a substantial youth demographic, driving consumerism and influencing market trends. Urbanization is reshaping consumer behavior, while the rural populace remains a significant market segment with evolving consumption patterns (Banerjee, 2012; Lal & Singh, 2016). The expansion of the middle class, which is projected to number 715 million by 2030 and 1.02 billion by 2047, is driven by economic reforms and a sustained annual growth rate of 6–7% (PRICE, 2022).

1.1.2.3 Market Segmentation

- **Consumer Segments:** The Indian consumer market is distinguished by varying income levels and a clear distinction between urban and rural consumers. Urban markets are characterized by a higher income bracket and rapidly changing lifestyle trends, while rural markets offer growth opportunities driven by increasing purchasing power and digital penetration (Rathi, 2023; Banerjee, 2012). Significant opportunities also exist in Tier 2 to Tier 4 cities, such as Jaipur, Surat, and Indore, which are relatively unexplored by multinational corporations. These cities, with populations ranging from 500,000 to 7 million, are experiencing rapid urbanization and increased consumer spending (Reserve Bank of India, 2011).
- **Lifestyle Segments:** Lifestyle and consumption patterns in India are influenced by cultural diversity, with significant differences across regions, communities, and income groups. The increasing influence of global trends, coupled with traditional values, shapes the complex consumer behavior observed in the market (Rathi, 2023; Banerjee, 2012).

1.1.2.4 Regulatory Environments

- **Business Regulations:** Navigating India's regulatory environment is critical for foreign firms. The business setup process, labor laws, and taxation require careful

consideration to ensure compliance and sustainable operations. Recent reforms have aimed to simplify regulations and encourage FDI (Agarwal, 2022).

- **Digital and Trade Policies:** The digital economy in India is booming, supported by government initiatives such as “Digital India.” Trade policies, including tariffs and international trade agreements, play a crucial role in shaping the market dynamics for foreign businesses operating in India (Agarwal, 2022).

1.1.2.5 Consumer Behavior

Indian consumer behavior is characterized by a high degree of value orientation, with a growing preference for online shopping, celebrity influences, and eco-friendly products. Cultural norms significantly influence purchasing decisions, necessitating businesses to adopt a culturally sensitive marketing approach (Banerjee, 2012; Rathi, 2023).

1.1.2.6 Competition Landscape

The competition landscape in India encompasses both domestic and international players, which vary between sectors. The presence of global brands alongside strong domestic companies creates a competitive market environment, challenging new entrants to innovate and adapt to local preferences (Rathi, 2023).

Hence, to summarize, the Indian market offers great opportunities tempered by challenges rooted in its complex socio-economic and cultural landscape. Success in this market demands an understanding of its economic overview, demographics, market segmentation, regulatory environment, consumer behavior, and competition landscape. Foreign firms venturing into India need to strategically navigate these facets to harness the market’s full potential.

1.1.3 The Retail Industry

Retail refers to the activity of selling goods or services directly to the final consumers. This sector encompasses a variety of retailers, each serving different consumer needs and preferences. For instance, department stores offer a wide range of products under one roof, while supermarkets focus on food and household items. Specialty stores cater to specific product categories, and convenience stores provide quick access to everyday essentials. Discount stores attract price-conscious shoppers, and e-commerce platforms offer the convenience of online shopping.

The typical categories of products sold in retail include a diverse array of consumer goods ranging from apparel and accessories, consumer electronics, home goods, and furnishings, to food and beverages. Retailers also sell health and beauty products, books, music, and entertainment items, as well as sporting goods, toys, accessories for hobbies, automotive products, and home improvement supplies.

At present, the retail sector faces several challenges, such as intense competition and supply chain issues that can disrupt product availability. Understanding consumer behavior and adapting to changing preferences is crucial, and economic factors such as inflation and disposable income levels can significantly impact retail performance.

1.1.4 The Retail Industry in India

The Indian retail market is one of the most dynamic and rapidly growing markets in the world. It is characterized by a large consumer base, increasing urbanization, and a growing middle class with increasing disposable incomes. This sub-chapter provides an overview of the Indian retail market, including its current state, growth potential, and the factors contributing to its attractiveness for FDI.

1.1.4.1 Current State of the Indian Retail Market

India boasts one of the largest retail markets globally. It is projected to reach \$1.1 trillion by 2027 and \$2 trillion by 2032 (IBEF, 2024). The retail sector contributes 10% to India's Gross Domestic Product (GDP), which reflects its significant economic impact. While the market is predominantly unorganized, with Kirana stores¹ making up a large portion of retailers, there is a rapidly growing organized sector comprising supermarkets and malls. In recent years, organized retail has grown significantly in India, with a penetration rate of 10% and an annual growth rate of 21% (CRISIL, 2012).

1.1.4.2 Market Potential and Growth Drivers

India is one of the most attractive retail destinations globally. In addition to the retail sector's significant contribution to India's GDP, it also accounts for 8% of the country's total employment (IBEF, 2012). Urbanization, as one of the main factors driving the growth of the

¹Kirana stores are small, family-owned grocery shops in India that offer essential food items and household goods. They are typically located in residential areas and are known for personalized service and convenience (Rani, 2013).

Indian retail market, has been particularly significant, with the urban population increasing from 27.81% in 2001 to 31.16% of the total in 2011 (MHA, 2012). This urban growth is a critical driver of retail expansion as urban consumers have higher purchasing power and greater access to organized retail formats.

1.1.4.3 Key Segments

The key segments in the Indian retail market include:

- Food and grocery
- Apparel and accessories
- Consumer electronics
- Home and furniture

These segments highlight the diverse range of products available to Indian consumers, driving the market's expansion.

1.1.4.4 Government Policies and FDI

The Indian government's liberalization of FDI policies in the retail sector has played a crucial role in attracting foreign investment. Current policies allow up to 100% FDI in single-brand retail and up to 51% in multi-brand retail, thereby opening the market to international retailers (DIPP, 2012). These policies have led to significant FDI inflows that enhance the market's growth prospects.

1.1.4.5 Major Players

The Indian retail market is home to several major players across various segments:

- Patanjali (health and wellness)
- Big Bazaar (supermarkets and hypermarkets)
- D-Mart (supermarkets and hypermarkets)
- Shoppers Stop (fashion and apparel retailers)
- Pantaloons (fashion and apparel retailers)
- Croma (consumer electronics)
- Flipkart (e-commerce)

These businesses play a key role in determining the level of competitiveness of Indian retail.

1.1.4.6 Competitive Advantages

The competitive advantage of the Indian retail market is analyzed using Porter's Diamond Model, which includes factor conditions, demand conditions, related and supporting industries, firm strategy, structure, and rivalry, government, and chance (Porter, 1990). As discussed by Pawar and Veer (2014), all these determinants of competitive advantage show favorable signs for the competitiveness of India's retail industry.

- **Factor Conditions:** The retail industry benefits greatly from India's sizable, youthful, and expanding labor force. In addition, the country has a strong infrastructure development strategy with a focus on urban development, transportation, and power, as well as significant physical resources (Government of India, 2012). Another asset is knowledge, with India having a large concentration of scientists and engineers (Kannappanavar, 2011).
- **Demand Conditions:** Because of India's sizable and expanding middle class, demand conditions are very favorable. Consumption growth is driven by expanding urban populations and increased disposable incomes (NCAER, 2023). The demand for retail goods is further enhanced by the increased awareness of global products resulting from media and internet use.
- **Related and Supporting Industries:** The retail industry is supported by the existence of a robust supplier base and associated sectors. India has a strong manufacturing sector and is a large supplier of agricultural products, which ensures a consistent supply of items for retail (FAO, 2010).
- **Firm Strategy, Structure, and Rivalry:** India's competitive environment is characterized by fierce domestic rivalry, which promotes efficiency and innovation. The level of competition has also been exacerbated by the entry of numerous foreign retailers into the market through joint ventures and fully owned subsidiaries (Mukherjee & Patel, 2005).

The Indian retail market presents significant opportunities for foreign investors due to its large consumer base, favorable demand conditions, and supportive government policies. The competitive advantages identified through Porter's Diamond Model further highlight the market's potential. As the sector continues to grow, it offers promising prospects for foreign market entry and investment (Pawar & Veer, 2014).

1.2 Summary of Key Literature Findings

A wealth of theoretical frameworks, empirical research, and useful insights on entering overseas markets are explored in the literature. For instance, recent studies have broadened the knowledge of international company operations by tackling important subjects such as the intricacies of re-entry plans, creative methods like business incubators, and a reevaluation of entry options. These studies focus on risk management and cost reduction tactics and how they affect the performance of subsidiaries (Sousa et al., 2021; Nguyen, 2021; Wulff, 2016).

In the context of emerging markets, both the latest and earlier studies highlight the unique challenges faced by rapidly internationalizing firms, especially in terms of institutional and legal obstacles, and indicate the importance of increased research on emerging markets such as India (Barnard, 2021; Deng & Zhang, 2018; Monreal-Pérez et al., 2012; Rugman & Oh, 2013; Saridakis et al., 2018; Sugre, 2017). While Hofstede (1980), for example, already laid the groundwork for the importance of cultural understanding for foreign institutions, Villa and Antonucci (2015) highlight the way the political framework influences how companies enter markets, emphasizing the need to incorporate political considerations into strategic planning.

This analysis is complemented by further studies on how various contextual factors influence foreign market entry. These studies analyze how political, economic, legal, and cultural environments in host countries affect firms' entry mode choices. They propose structured methodologies for evaluating and ranking international markets, emphasizing the importance of understanding these external factors. The use of hybrid multi-criteria decision-making techniques highlights key factors such as trade barriers, economic conditions, costs, and logistical considerations, thereby enhancing the strategic selection of international markets (Zekiri & Angelova, 2011; Vanegas-López et al., 2021; López-Cadavid et al., 2023).

The influence of intuitive strategies in decision-making for foreign market entry is a central theme in the work of Guercini and Milanesi (2022), who highlight the need for a deeper understanding of these strategies when examining market complexities. Schmid and Kotulla (2011) argue for a strategic equilibrium between standardization and adaptation in international markets and propose a framework that balances global and local market strategies.

Further empirical studies highlight the impact of contextual factors on entry mode choices and performance outcomes. They investigate how political stability, economic conditions, and legal regulations affect multinational enterprises and small and medium-sized enterprises (SMEs). Additionally, they examine risk management strategies in emerging markets, highlighting how

firms deal with political risks and operational challenges. These insights support managers in aligning entry modes with environmental conditions to improve international performance (Zhang et al., 2022; Dang et al., 2020; Rasheed, 2005).

However, despite providing valuable insights, this collection of literature emphasizes the necessity of a broader approach to fully understand market entry in the Indian retail sector. The work of the previously cited Mann and Byun (2011), which examines different entry strategies and stresses the significance of understanding the Indian market and its strategic consequences for international enterprises, further emphasizes this aspect. Research such as that of Feurer et al. (2016) highlights the need to align corporate plans with local customer preferences and emphasizes the essential role that cultural knowledge and consumer behavior play in forming market strategies.

Hence, while the literature provides an exploration of market entrance, and emphasizes the theoretical models, practical implications, and contextual factors to consider, it also reveals a research gap concerning a structured approach in covering the consideration of a significant number of contextual factors that are highly relevant to companies entering the Indian retail market.

1.3 Research Questions

To close the research gap concerning an integrated approach that not only covers the important contextual factors but also addresses the unique and dynamic environment of the Indian retail industry, this study addresses the following research questions:

- Which host country contextual factors influence the market entry of Western firms into the Indian retail market?
- How are these factors addressed in the literature?

Addressing this gap will not only enrich the academic exchange but also offer practical guidelines for businesses seeking to understand the complexities of the Indian market.

1.4 Research Relevance

Studying how companies step into the Indian market, especially in the retail sector, is crucial given how rapidly the Indian economy is growing and its increasing significance in the global business scene. In this context, the focus does not only lie on adding to what academics know but also on giving real companies some solid advice on how to approach the Indian market with

all its diversity and challenges. Moreover, by pinpointing and understanding the key contextual factors that affect these strategies, this study helps to create a clearer picture and thereby provides a foundation for future research and the development of targeted business strategies in this field.

1.5 Objectives

This research is committed to achieving the following objectives:

- Distinguish and analyze contextual factors influencing market entry strategies (MESs) of Western country firms in the Indian retail market.
- Identify trends, patterns, and gaps concerning the contextual factors addressed in the literature.
- Derive managerial implications based on the identified factors and gaps.

This study primarily addresses businesses and managers from Western countries, whereby the term “Western countries” refers to countries situated in Western Europe, North America, Australia, and New Zealand. These regions were selected to maintain a consistent understanding of psychic distance, which pertains to the perceived differences in culture, business practices, and market environments between these Western countries and India. This definition allows for a focused analysis of the MESs employed by Western firms in the Indian retail market.

1.6 Methodology Overview

To achieve the goals of this study, a literature review (LR) was deemed a suitable approach as it enables a thorough examination of existing research and identification of patterns and gaps within the field of foreign market entry into Indian retail. This methodological approach facilitates the systematic gathering, review, and synthesis of relevant literature to construct a future roadmap for managers and businesses aiming to enter the Indian retail market.

Following Snyder (2019), a structured approach to conducting the LR was adopted. According to Snyder (2019), there are three broad types of LRs: systematic, semi-systematic, and integrative reviews. Systematic literature reviews (SLRs) follow a strict methodology for the search strategy and selection of articles, making them effective for synthesizing research on specific questions and providing evidence that can inform policy and practice (Baumeister & Leary, 1997; Tranfield et al., 2003). Semi-systematic literature reviews (SSLRs), on the

other hand, are suitable for broader topics that have been conceptualized differently across various disciplines, allowing for the mapping of theoretical approaches and identification of knowledge gaps (Davis et al., 2014; Liberati et al., 2009; Moher et al., 2009). Integrative reviews combine perspectives to create new theoretical models, making them useful for addressing questions requiring a creative data collection approach (Torraco, 2005; Wong et al., 2013).

These methods are further described by Paul et al. (2021), who also offer extensive guidelines for carrying out LRs in business research. Different kinds of systematic reviews are included in these frameworks, each of which is designed to meet particular research goals:

1. **Domain-Based Reviews:** These reviews concentrate on how a certain domain—such as a certain topic or journal—has developed. They may be organized according to conceptual reviews, bibliometric analyses, topics, frameworks, or hybrid techniques. Examples include structured theme-based reviews and framework-based reviews using established models such as the ADO (Antecedents, Decisions, Outcomes) framework (Paul & Benito, 2018), and the TCCM (Theories, Constructs, Contexts, and Methods) framework (Paul & Rosado-Serrano, 2019).
2. **Theory-Based Reviews:** These reviews examine how a particular theory has evolved within a field, and examples of such investigations include the theory of planned behavior in consumer research by Hassan et al. (2015) and the self-determination theory in marketing research derived by Gilal et al. (2019).
3. **Method-Based Reviews:** These reviews explore the development of a particular research method. Examples include the studies on common method bias in tourism research by Çİzel et al. (2020) and the use of structural equation modeling in marketing research by Hair et al. (2017).
4. **Meta-Analytical Reviews:** These reviews focus on statistical assessments of previous research in a domain, providing a quantitative synthesis of findings. Examples include reviews on consumer over-indebtedness by Frigerio et al. (2020) and health motives and organic food purchases by Rana and Paul (2020).
5. **Meta-Systematic Reviews:** These reviews consolidate existing systematic reviews in a domain. An example is the systematic review of systematic reviews on behavioral control by Lim and Weissmann (2021), which introduced a new theory called the theory of behavioral control.

According to Paul et al. (2021), it is important to choose the right review approach based on the research topic, and to decide on eligibility requirements, acceptable boundaries, what data

to collect, and the kind of contribution to be made. By addressing key flaws in traditional LR, this study's structured approach ensures completeness and rigor, thereby improving the review's quality and credibility (Palmatier et al., 2017).

According to the classification developed by Snyder (2019), the LR presented in this work falls under the category of an SLR, whereby it is considered semi-systematic because not all criteria of a full SLR are fulfilled. Further elaborations on this distinction are provided in the methods section (Chapter 3). Furthermore, according to the classification by Paul et al. (2021), the review method used aligns with a domain-based review, specifically a framework-based review.

The framework that serves as the study's model is the four contextual levels from Douglas and Craig (2011), which is optimal for addressing the research questions outlined earlier as it comprehensively covers all aspects of contextual factors in a structured manner. The contextual levels defined by Douglas and Craig include macro-level, meso-level, micro-level, and situational factors. These levels are elaborated in detail in Chapter 2 and provide a robust structure for analyzing the literature on foreign market entry into Indian retail.

After the introduction, in which the problem statement, research objectives, and relevance of the study in the context of foreign market entry into the Indian retail sector were outlined, the theoretical foundation is established in Chapter 2. This section examines the fundamental ideas of MESs, with an emphasis on the variables that affect businesses as they enter foreign markets. Several theoretical frameworks that highlight how companies operate in new markets are thoroughly reviewed, including the Transaction Cost Approach (TCA), Institutional Theory, and Dunning's Ownership, Location, and Internalization (OLI) model. The focus subsequently pivots to the contextual factors, which can be categorized into macro-, meso-, and micro-level elements that include local consumer behavior, geographical disparities, and economic situations. These elements provide the foundation required to fully appreciate the difficulties of breaking into a market such as India.

Following the theoretical framework, in Chapter 3 the research design is outlined, detailing the processes and methodologies employed for conducting the LR. In this section, the search strategy, selection criteria, and analysis methods used to extract relevant studies are described. Once the research design is clarified, the results of the review are presented in Chapter 4, offering key insights into how contextual factors influence the market entry of Western firms into India's retail sector. Subsequently, the practical implications of these findings for

businesses are discussed, aligning them with the theoretical frameworks introduced earlier. The discussion also includes strategic recommendations for firms aiming to enter the Indian market.

The limitations of the study are also addressed, noting any constraints that may have impacted the research and suggesting areas for further exploration. The final section summarizes the key findings and proposes directions for future research, particularly in the context of market entry into emerging markets such as India.

2. Theoretical Framework

2.1 MES for International Market Expansion

Market entry strategies refer to a company's goals, plans and decisions in regard to which market to enter, when to enter and how to enter (taking into account opportunities, threats and customer needs). 'Market' in this case may refer to a market segment, domestic or international.

Market entry strategies involve market entry timing, the choice of market and/or market segment, and an entry mode. Market refers to a segment, domestic or foreign, whether geographic or product scope. (Leih & Teece, 2018, 980)

MESs are a vital aspect for firms intending to access new markets and launch their products or services to new customers. The effectiveness of these strategies greatly affects a company's success in unfamiliar environments, influenced by the company's desire for operational control, previous experiences, and cultural differences between the home and new markets. The strategy choice for entry into a market is a key decision of the firm's internationalization, influencing the adaptability, competitiveness, and success in foreign markets. The strategies include exporting and licensing, joint ventures, and wholly-owned subsidiary arrangements, with the choice of the most appropriate entry mode strategy depending on the firm size, experience, resource availability, and characteristics of the target market.

Heaton and Teece (2014) emphasize the role played by the selection of the market, which may be affected by control, experience, cultural or psychic distance, in addition to the timing and entry mode. They argue that the strategic decisions relating to licensing, franchising, joint

ventures, or wholly owned subsidiary options are expected to make critical differences for firm performance, drawing on transaction cost economics, the resource-based view (RBV), and the eclectic paradigm.

Internationalization is a process that involves a relatively complex but crucial strategy formation and implementation that is useful in successful market expansion. For instance, Green and Ryans (1990) indicate that the timing, scale of investment, and competitive focus are critical determinants of strategy development, noting the direct impact but recognizing a comparative lack of empirical studies that can solidify such evidence on market performance. Holtbrügge and Baron (2013) provide an entry strategy for emerging markets, especially the BRICS countries, as determinant factors for firm success, and offer evidence of pronounced differences between countries. Buckley and Casson (1998) analyze market entry options and underline the role of local competition in the choice of strategies.

The research conducted to date underlines the complexities involved in the considerations regarding strategies for selecting the appropriate MES for a foreign firm and the profound effects these have on the performance of the new markets. An in-depth understanding of these dynamics is vital for firms looking to successfully tread the path of international expansion. As mentioned, the most common approaches in MESs include direct exporting, franchising and licensing, joint ventures, wholly owned subsidiaries and, exponentially increasing in recent years, e-commerce and digital strategies. These key strategies, including their advantages, disadvantages, and overall effectiveness are summarized in Table 1.

While the primary focus of this research is on the contextual factors influencing the market entry of Western firms into the Indian retail sector, understanding various MESs provides a foundational backdrop for this analysis. Although these strategies are not directly considered in the core analysis of this study, they remain crucial for framing the broader context in which firms make entry decisions. This chapter aims to outline the common MESs, thereby providing insights into the strategic options available to firms when navigating the complexities of internationalization. This theoretical foundation supports the subsequent exploration of contextual factors by highlighting the strategic considerations that underpin firms' decisions to enter foreign markets.

Strategy	Description	Pros	Cons	Effectiveness
Exporting	Most firms, therefore, first enter international markets through exporting, since it is of very low risk and investment requirement (Root, 1986). Exporting assures firms to reach foreign markets while maintaining production within their home country.	Allows companies to enter foreign markets with relatively low investment and risk. It's flexible and can be scaled up or down based on market demand.	Inflated transport costs, high tariffs, and barriers to trade. There's also less control over the marketing and distribution of products.	Generally effective for initial entry, allowing firms to test markets with lower risk.
Licensing and Franchising	Licensing and franchising are both types of arrangements that firms can use to expand abroad with low investment by allowing a foreign company to produce or sell their products or services (Buckley & Casson, 1998).	Provides access to local market knowledge and distribution networks. Requires less capital investment compared to setting up own operations.	Risk of creating future competitors and loss of control over the brand and product quality.	Can be highly effective in markets with strict regulations or where local knowledge is crucial, though control issues may arise.
Joint Ventures and Strategic Alliances	Joint Ventures and Strategic Alliances involve creating a partnership with a local firm, combining resources to operate in the foreign market. This strategy can provide valuable local market knowledge and reduce operational risks (Ali & Camp, 1993).	Offers shared risks and resources, access to partners' local market knowledge, and may facilitate regulatory environment navigation.	Conflicts may arise between partners, and there can be issues with aligning strategies and operations.	Successful in markets where local presence is necessary for acceptance, but might rely on the strength and compatibility of the partners.
Wholly Owned Subsidiaries	Wholly Owned Subsidiaries represent a much bigger commitment because the firm will have complete ownership and control of its operations in the foreign market. The strategy is adopted for strategic control but at the same time requires a big investment and risk-taking capability (Pehrsson, 2008).	Full control over operations and strategy. Direct investment demonstrates commitment to the local market may lead to better penetrations of the market.	High risk and capital requirement. Further possible challenges come in with local regulations, culture, and local presence in the market.	Often considered the most effective in terms of control and long-term market presence, but with higher risks and investment.
E-commerce and Digital Strategies	E-commerce and Digital Strategies offer lower entry costs and access to global markets without needing a physical presence. Flexibility in testing markets and scaling operations.	Lower entry costs and access to global markets without needing a physical presence. Flexibility in testing markets and scaling operations.	Highly competitive, lots of marketing efforts required to stand out. There may be issues with fulfillment and customer service across borders.	Increasingly effective as global internet penetration rises and consumer behaviors shift online, suitable for various industries.

Table 1: Market Entry Strategies Overview
(Sources are included in the table)

2.2 Contextual Factors in MESs

In the exploration of MESs, it is critical to consider a wide array of contextual factors that significantly influence a firm's approach and success in penetrating new markets.

2.2.1 Introduction to the Contextual Factors in MESs

Entering new markets requires careful consideration of several contextual factors, both internal and external. These factors play a major role in choosing between standardization and modification tactics, which affects businesses' capacity to successfully adapt and compete in international marketplaces.

Making well-informed decisions on market entry requires taking the host nation's contextual factors into account. These factors, which include economic conditions, cultural phenomena, and political stability, have a significant impact on a company's decision to enter a foreign market. For example, studies show that businesses can reduce risks and modify their tactics by knowing the local environment, which improves performance and ensures long-term survival in international marketplaces (Bergh et al., 2018). Businesses can improve their competitiveness by better matching their strategy to local market conditions when they take such factors into account (Khanna & Palepu, 2010).

2.2.2 Firm Context and Host Country Context

Two primary categories of contextual factors play a crucial role, namely the Firm Context (FC) and the Host Country Context (HCC). The FC includes elements such as competition, international experience, and firm size, which influence a firm's internal readiness and strategic approach to market entry. The HCC, on the other hand, encompasses political risks, economic development, and cultural differences that dictate the external environmental conditions a firm must navigate (Omar & Porter, 2011; Surana et al., 2024).

Since this study primarily focuses on the Indian retail market, the HCC rather than the FC lies at the focus of this work.

When analyzing the literature to investigate the contextual factors considered, the contextual factors are categorized into four levels following the classification of Douglas and Craig (2011). This provides a holistic overview since it structures the contextual factors, thereby systematically covering every aspect of the HCC.

2.2.3 The Four Levels of Contextual Factors

1. Macro-level Factors

Macro-level factors are broad, national-level variables that impact consumer behavior and market opportunities. These include:

- **Economic Indicators:** Gross National Income (GNI) per capita, economic growth rates, and income distribution (Douglas & Craig, 2011).
- **Sociocultural Factors:** National cultural values, and demographic trends such as age distributions and urbanization rates (Georgas et al., 2004).
- **Political and Legal Frameworks:** Government policies and regulations that affect business operations (Kumar et al., 1994).

The paper of Douglas and Craig (2011) emphasizes that while these factors provide an initial screening of market attractiveness, they are often insufficient for detailed market planning because they overlook regional and local nuances.

2. Meso-level Factors

Meso-level factors concern regional or state-level variations within countries that can significantly influence marketing strategies. These factors include:

- **Regional Economic Disparities:** Differences in wealth and economic activity between regions (Cui & Liu, 2000).
- **Cultural Variations:** Distinct regional cultural identities that can affect consumer preferences and behaviors (Bijapurkar, 2009).
- **Infrastructure Variations:** Differences in market and media infrastructure from one region to another (Khanna et al., 2005).

Understanding these variations is crucial for more accurately segmenting markets and developing region-specific marketing strategies rather than one-size-fits-all national strategies.

3. Micro-level Factors

Micro-level factors are local conditions that directly impact consumer interactions and purchasing behaviors. These include:

- **Local Demographics:** Age, income, and education levels of people in specific localities.
- **Retail Environment:** The presence and type of retail outlets, which can influence shopping behaviors and product availability (Wang & Jones, 2002).
- **Social and Living Conditions:** Family structures, housing situations, and community life that shape daily consumer activities and needs.

The authors (Douglas & Craig, 2011) argue that these local factors must be considered to effectively tailor marketing mixes to local consumer preferences and conditions.

4. Situational Factors

Situational factors refer to the specific circumstances under which consumer decisions are made. These include:

- **Occasions:** Different purchasing behaviors during holidays, festivals, or personal milestones such as birthdays (Belk, 1975).
- **Usage Contexts:** Variations in product usage that are based on whether products are used at home, at work, or during leisure activities (Joy, 2001).
- **Social Contexts:** The influence of social settings and company on consumer behavior, such as differences in consumption when alone, with family, or with friends (Wooten, 1995).

Situational factors refer to specific circumstances that influence consumer decisions at a particular time, such as holiday seasons, festivals, or specific purchasing occasions such as weddings. These factors, while significant in particular contexts, are often underrepresented in the broader literature that focuses on more general macro-, meso-, and micro-level factors.

This research considers these situational factors as important but acknowledges that their impact tends to be more context-specific and variable. Therefore, while situational factors are considered in the analysis, the primary focus remains on the broader macro-, meso-, and micro-level factors. As a result, the analysis does not expect to find extensive literature coverage on situational factors but recognizes their potential impact in specific scenarios, particularly in markets like India, where events such as festivals can significantly drive consumer behavior. A more detailed overview of the contextual factors at different levels is provided in Appendix 1.

By integrating insights from these diverse levels of context, firms can craft more sophisticated and responsive MESs that closely align with the actual needs and behaviors of target consumers in international markets.

2.3 Theoretical Frameworks in Market Entry

For businesses aiming to grow overseas, choosing an international market entry strategy is a key decision. The success of a business's foreign operations can be strongly impacted by the mode of entrance chosen. Many theoretical frameworks have been created over time to help businesses make decisions about their MESs. Different viewpoints on the elements that businesses should take into account when entering a foreign market are provided by these frameworks. Studies using theoretical frameworks to analyze international market entry usually rely on the contextual factors the framework considers without paying further attention to a multi-level analysis of these factors. An overview of the primary theoretical frameworks in MESs, as highlighted in the SLR by Schellenberg et al. (2018), and the contextual factors these usually take into account in the HCC according to Douglas and Craig's (2011) four levels is provided in the following.

2.3.1 TCA

According to this strategy, when businesses enter a new market, they should try to keep transaction costs as low as possible. The theory highlights the importance of taking transaction frequency, environmental uncertainty, and asset specificity into account. It is recommended that businesses select entrance strategies that lower transaction costs and lessen the possibility of partners acting opportunistically (Williamson, 1983, 1985). The TCA mainly considers macro-level factors such as the state of the economy, the legal system, and regulatory frameworks that affect transaction costs, as well as socio-cultural elements such as the societal norms surrounding business transactions and general levels of trust. Furthermore, micro-level factors such as the accessibility and dependability of regional partners and suppliers, as well as meso-level factors including regional variations in infrastructure, are also significant.

2.3.2 Institutional Theory

Institutional theory focuses on the impact of the regulatory, normative, and cognitive pressures exerted by the institutional environment of the host country. This framework posits that firms must adapt their entry strategies to conform to the local institutional norms and

regulations to gain legitimacy and succeed in a foreign market (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). This theory considers the macro-level socio-cultural factors, including normative and cognitive institutions such as cultural values and social norms, and the regulatory environment encompassing legal and political institutions. At the meso-level, it examines regional institutions, including the influence of regional regulatory bodies and local governance structures. At the micro-level, it takes local customs and norms into account and how these local institutions and community practices impact business operations (Scott, 2014, p. 73f..

2.3.3 Dunning's OLI Model (Eclectic Paradigm)

Dunning's OLI model, also known as the "eclectic paradigm," combines several theoretical stances into a cohesive whole. It implies that ownership advantages (O), location advantages (L), and internalization advantages (I) all have an impact on a firm's choice of entry strategy. This model offers a comprehensive perspective on the elements that influence businesses' choices about when and how to enter new markets (Dunning, 1980). The OLI model takes macro-level factors such as the sociocultural environment, geographical variables (natural resources, climate, and positioning), and economic conditions (market size, economic policies, and stability) into account. While micro-level factors concentrate on local efficiencies and resource availability, meso-level factors include regional advantages and particular concentrations of economic activity.

2.3.4 Uppsala Internationalization Model

This model proposes that firms internationalize incrementally, based on their experiential learning and increasing resource commitment in foreign markets. The Uppsala model emphasizes the role of knowledge acquisition and gradual market entry, suggesting that firms start with less resource-intensive entry modes and increase their commitment as they gain more experience in the international market (Johanson & Vahlne, 1977). It considers macro-level socio-cultural factors, particularly psychic distance, which includes cultural, language, and economic differences. At the meso-level, it looks at regional differences in market knowledge and business practices. At the micro-level, it focuses on experiential learning from specific local market interactions and customer relationships.

2.3.5 RBV

According to the RBV, the firm's distinct resources and competencies serve as the foundation for its competitive advantage in international markets. The RBV states that businesses should choose entrance strategies that let them capitalize on their core skills and shield their priceless assets from competitors' imitation or misappropriation (Barney, 1991). Moreover, the RBV considers macro-level economic factors, such as national resource endowments and competitive advantages, and geographic factors, such as natural resources and geographic characteristics. It looks at localized capabilities and regional resource imbalances at the meso-level while the deployment of firm-specific resources in local contexts is the main focus at the micro-level.

Theoretical frameworks are generally less likely to consider situational context factors in detail because they are designed as broad guidelines to provide a strategic overview rather than delve into specific scenarios. These frameworks prioritize macro-level factors to create universally applicable strategies that can be easily adapted across various markets. However, Institutional Theory and the OLI Eclectic Framework still offer more potential to incorporate situational context factors. Institutional Theory emphasizes the role of formal and informal institutions, which can vary significantly within a country, thus allowing for the inclusion of specific situational contexts. Similarly, the OLI Eclectic Framework, with its focus on location-specific advantages, can be tailored to account for local situational market conditions, making these frameworks more adaptable to detailed situational factors within a country such as India.

These theoretical frameworks offer useful information to businesses as they plan how to enter foreign markets. Businesses can decide how to enter new markets in a way that aligns with their strategic goals, available resources, and the target market's external environment by recognizing and putting these theories to use (Schellenberg et al., 2018). This knowledge is essential for examining how businesses handle the challenges of breaking into the Indian retail sector because identifying studies that use these frameworks can reveal which contextual elements have previously been taken into account.

3. Method

In this study, the research design was guided by Snyder (2019). The methodology followed a structured approach, organized into four phases: 1) designing the review, 2) conducting the review, 3) analyzing the review, and 4) writing the review. These stages ensure a thorough and methodical approach to literature evaluations, encouraging transparency and consistency throughout. As indicated earlier in Chapter 1.5, the purpose and scope of this study is to analyze the contextual factors influencing Western firms' MESs in Indian retail, identify literature trends and gaps, and provide managerial implications. To address the research questions, namely which HCC factors influence the market entry of Western firms into the Indian retail market, and how are they addressed in the literature, the structured approach based on Snyder (2019) was utilized to ensure that each phase contributes to a thorough and transparent review process.

3.1 Overall Review Approach

The overall review approach employed was the SLR explicitly excluding the Integrative Review Literature (IRL) method since Snyder (2019, p. 336) states that “[...] if the purpose of the review is to investigate and synthesize evidence of the effect of a specific factor, an integrative review is not trustworthy; instead, a systematic review approach should be used.” Given that the principal objective of this study is to analyze the contextual factors influencing Western firms' MESs concerning the Indian retail market, an SLR was considered the most suitable methodology to achieve this purpose.

3.2 Search Strategy

3.2.1 Search Terms

The search strategy utilized a single-line approach with Boolean operators, mainly using “AND” and “OR” and covering three main key terms with synonyms and subcategories representing them, while bringing together the theoretical work on the Indian market, the retail industry, market entrance- and entry strategies and the theoretical frameworks outlined previously:

- Market entry (Including Market Entry Strategies and Theoretical Frameworks):
Market Entr*, Market expansion, Market penetration, Internationalization, Entry

Mode*, Cross-border entr*, Multinational, Market development, overseas expansion, Export*, direct investment*, fdi, licens* franchis*, joint ventur*, strategic allianc*, wholly-owned, greenfield, transaction cost*, institutional theor*, OLI, eclectic paradigm, Uppsala, resource-based view

- India: Indian market*, south-asia*, emerging market*, developing countr*, BRICS
- Retail: Consumer Good*, Apparel, Food, Beverage*, Home care, FMCG, Electronics, Furniture, Health, Toy*, Game*, Automotive*, Sport*, Outdoor, Luxury, Fashion, Personal care, cosmetic*

This resulted in the following single-line search string:

("Market Entr*" OR "Market expansion" OR "Market penetration" OR "Internationalization" OR "Entry Mode*" OR "Cross-border entr*" OR "Multinational" OR "Market development" OR "overseas expansion" OR "Export*" OR "direct investment*" OR "fdi" OR "licens*" OR "franchis*" OR "joint ventur*" OR "strategic allianc*" OR "wholly-owned" OR "greenfield" OR "transaction cost*" OR "institutional theor*" OR "oli" OR "eclectic paradigm" OR "Uppsala" OR "resource-based view") AND ("India" OR "Indian market*" OR "south-asia*" OR "emerging market*" OR "developing countr*" OR "brics") AND ("Retail" OR "Consumer Good*" OR "Apparel" OR "Food" OR "Beverage*" OR "Home care" OR "FMCG" OR "Electroincs" OR "Furniture" OR "Health" OR "Toy*" OR "Game*" OR "Automotive*" OR "Sport*" OR "Outdoor" OR "Luxury" OR "Fashion" OR "Personal care" OR "cosmetic*")

3.2.2 Selection of Databases

The primary databases Web of Science (WOS) and Scopus were selected due to their focus on journal articles and the ability to check the journals' quartile ranking via the journal ranking systems Scimago and the Journal Citation Report (JCR) which facilitated a certain threshold as an inclusion criterion. The quartile ranking classifies journals into four categories (Q1 to Q4) based on their impact factor, with Q1 representing the highest-ranked journals in a particular field. For this study, only journals ranked in Q1 and Q2 were considered to ensure a high standard of academic quality. Additionally, to gather as much relevant literature as possible and to avoid omitting any important sources, cross-checks were conducted using only some of the most important key terms such as "Market Entry AND India" or "Internationalization AND India AND Retail," etc. Due to limitations such as non-peer-reviewed papers or the inability to handle long search strings, other databases were not taken into account for the literature search.

Furthermore, the search was not solely restricted to quantitative or qualitative methodologies, and hence case studies were also accepted as they can contribute valuable insights on detailed contextual insights and real-world examples of how Western firms navigate the unique environment in India.

Considering these factors, the study's LR fulfills some of the criteria of an SLR (Kitchenham, 2004), albeit not all. Specifically, the fulfilled SLR criteria include the design and documentation of search strings, the use of dedicated databases, the analysis of search results, the documentation of included papers for each search string, and the application of explicit inclusion/exclusion criteria. However, the approach taken did not meet the SLR criteria for having multiple authors evaluate the papers, conducting a more rigorous quality assessment of the studies, or performing comprehensive data extraction and synthesis. Given that this study focused more on thematic analysis rather than a detailed bibliometric analysis, the semi-systematic approach was deemed more suitable than a full SLR. Therefore, the study ultimately refers to its LR as an SSLR, as this more accurately describes the approach taken.

When conducting the search, the general filters across both databases used included:

- English language literature
- Published between 2004 and 2024 (covering 20 years)
- Document type: Article

Each database had its unique filters set individually to yield a reasonable number of relevant publications. A detailed overview of the initial search process in the databases and the respective filters is provided in Appendix 2.

3.2.3 Selection Process

As shown in Figure 1, there were multiple steps in the selection process. Using database searching, 1,936 studies were first identified, including 1,041 from Scopus and 895 from WOS. In total, 542 studies were evaluated following the elimination of 430 duplicates and 964 studies using quartile ranking. After reviewing the abstract and title, 334 papers were subsequently eliminated. In the next step, after the full text of 156 studies was evaluated for eligibility, 111 were disqualified for having findings or topics unrelated to the research goals, and 52 were excluded since their full texts were not accessible. In the end, 45 studies were examined in the final analysis.

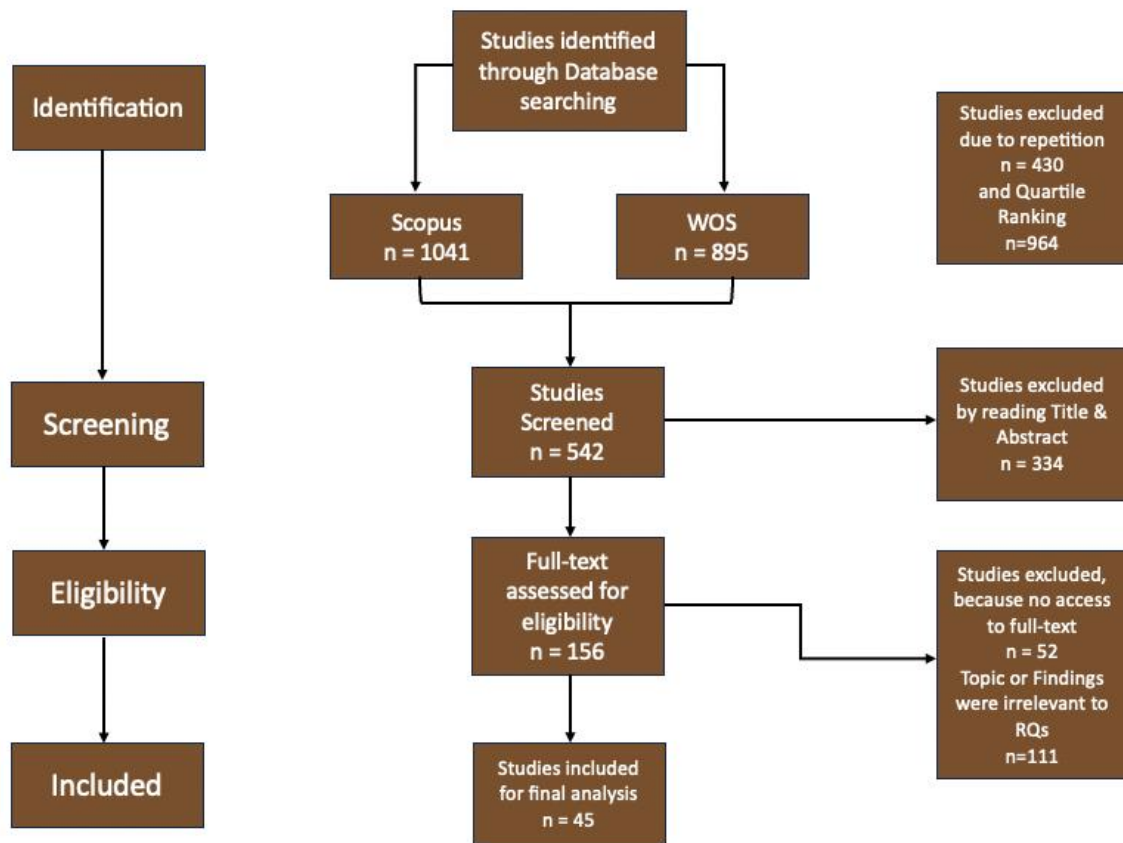


Figure 1: Flow Chart Diagram

The full-text analysis of the research papers additionally included the following thematic inclusion and exclusion criteria, apart from the already rooted inclusion criteria of topic relevance:

Inclusion criteria:

- The information derived from the findings aims to contribute to supporting businesses and managers planning to enter the Indian market.

Exclusion criteria:

- Studies that exclusively focus on firms with a home market other than Western countries.
- Studies that exclusively focus on industries other than the retail sector.

Since the additional information enhanced the precision of the analysis, the full-text analysis process also involved extracting data on the following aspects:

- topic
- methodology
- methods
- findings
- home and host countries of investigated firms

After gathering the final number of articles, another full-text analysis was conducted to identify information on HCC factors directly considered in them and categorize them into the four contextual levels using Microsoft Excel tables.

This process involved a close reading of the abstract, introduction, results, and discussion sections of each article. The focus was on factors that were explicitly mentioned as influencing FDI or consumer behavior, rather than those that were only implied or indirectly referenced. In the work of Welsh et al. (2006) for instance, the authors specifically address political stability and how it affects judgments about international franchising. As a result, political stability was designated as a macro-level element in this paper with confidence because of this direct remark.

After identifying the relevant factors, the next step was to categorize them into macro-level, meso-level, micro-level, or situational factors. For instance, the paper by Johnson and Tellis (2008) examine how “urbanization” and “market heterogeneity” affect how well MESs work. Since these characteristics are specifically relevant to the dynamics of regional markets, they were classified as meso-level.

To detect contextual factors throughout the extraction process, keywords and phrases were essential as a cross-check technique. For instance, applying commonly used phrases such as “economic growth,” “government regulation,” or “infrastructure development” made it easier to identify the topics covered in each study. To effectively find these keywords, search features in PDF viewers, including Ctrl+F, were used. For example, in the paper of Alam Iqbal et al. (2012), keywords such as “media context” and “social and living context” were also searched for and identified. These terms helped categorize the factors as micro-level, specifically related to media and social influences on consumer behavior.

The assignment of the data to the four levels is presented as an excerpt in Table 2, which shows the first five entries for illustrative purposes. The complete table, including all 45 entries, is provided in the appendix (Appendix 3).

Authors	Year	Macro Level	Meso Level	Micro Level	Situational Level
Jonathan Matusitz and Anne Reyers	2010	Rate of economic growth, government regulation, political stability, import restrictions, population growth, urbanization, socio-cultural values	Urbanization, culture	Number, size, and types of stores available, and market infrastructure	None
Mohammad Iftekhar Khan and Amit Banerji	2014	Rate of economic growth, government regulation, population growth, economic reforms, inflation control	Urbanization, culture	Market infrastructure	None
Dianne H.B. Welsh, Ilan Alon, and Cecilia M. Falbe	2006	Rate of economic growth, government regulation, political stability, import restrictions, market governance, ownership restrictions	Urbanization, affluence, language, lifestyle, culture	Market infrastructure, social and living context, media context (availability, cost)	None
Mansi Batra and Linda Niehm	2009	Rate of economic growth, government regulation, political stability, market governance, import restrictions, population growth, socio-cultural values, urbanization	Urbanization, culture, language	Market infrastructure, number, size, and types of stores available, nature of housing and family living arrangements, media context (availability, cost)	None
Arpita Mukherjee, Divya Satija, Tanu M. Goyal, Murali K. Mantrala and Shaoming Zou	2012	Rate of economic growth, government regulation, political stability, population growth, market potential	Urbanization, culture	Market infrastructure, number, size, and types of stores available, social and living context	At-home vs. out-of-home, work vs. leisure

Table 2: Excerpt from the Data Assignment to the Four Contextual Levels
(Sources are included in the Table)

A critical step in the process was ensuring that the factors identified were directly relevant to the focus of the paper and factors that were only tangentially mentioned or implied were not included in the categorization. The goal was to ensure that each factor played a central role in the study's analysis and findings. For example, although topics such as "economic growth" and "trade policies" were mentioned by Bennet and Yin (2019), their paper primarily focused on "infrastructure quality" and "pricing strategies" as critical factors for improving drug quality. Therefore, only these micro-level factors were included in the analysis.

Some papers presented challenges in categorization, particularly when a factor could fall into more than one category. In such cases, the context of the paper's discussion guided the categorization. For instance, if "government regulation" was discussed in terms of broad economic policies, it was categorized as a macro-level factor. However, if the discussion focused on specific industry regulations, it was categorized as a meso-level factor. For

example, Holtbrügge and Baron (2013) discuss both general regulatory frameworks and specific industry guidelines. After careful consideration, the broader discussion of regulation was categorized as a macro-level factor, while the industry-specific discussions were placed under meso-level factors.

As each paper was reviewed and factors were assigned, the findings were systematically documented in a table. This allowed for a clear overview of which factors were most frequently cited in the literature and facilitated comparative analysis. The documentation also included notes on the rationale for each categorization, thereby ensuring transparency in the process. For example, in the article of Halepete et al. (2008), the factors of “population growth,” “urbanization,” and “market infrastructure” were documented, with notes explaining that the paper focused on these elements as key determinants of Walmart’s market entry strategy in India.

Cross-verification was conducted to ensure that the factor assignments were accurate. This required reviewing the articles again to make sure the factors that were identified were, in fact, essential to the analysis. The articles were also reexamined to further clarify the classification in situations where there was ambiguity or uncertainty.

For instance, according to the first evaluation of the paper from Peddi (2014) “government regulation” was a negligible factor. Cross-checking, however, revealed that regulatory concerns were a major obstacle to admission, which is why they were included as a macro-level component.

Selecting pertinent literature, identifying important elements and classifying these into the macro-, meso-, micro-, and situational levels, and confirming direct relevance were all steps in the rigorous and methodical process of extracting and assigning the literature to contextual factors. Throughout this process, it was ensured that the study appropriately reflected the elements taken into account in the literature by employing targeted keywords, close reading, and cross-verification. This provided a strong basis for understanding the factors that influence FDI and consumer behavior in emerging markets.

4. Findings

4.1 Macro-Level Factors

- **Rate of Economic Growth:** The rate of economic growth is the most frequently cited macro-level factor, appearing in 97.8% of the reviewed papers. This highlights its critical importance in shaping investment decisions. Economic growth provides a positive signal to investors about the market potential and stability, making it a key determinant of FDI.
- **Government Regulation:** Government regulation is also highly significant, as indicated by 91.1% of the papers reviewed. Effective regulatory frameworks and stable government policies are crucial for attracting and sustaining foreign investments.
- **Population Growth:** Population growth is mentioned in 60.0% of the studies, emphasizing its role in expanding the consumer base and creating market opportunities.
- **Political Stability:** As indicated by 51.1% of the studies examined, political stability is crucial for mitigating risks associated with political uncertainty, which can deter investment.
- **Other Notable Factors:** Other factors such as trade policies, market governance, and socio-cultural values, although less frequently mentioned (15.6%, 15.6%, and 8.9% respectively), play significant roles in specific contexts.

The distribution of these macro-level factors is visualized in Figure 2 below.

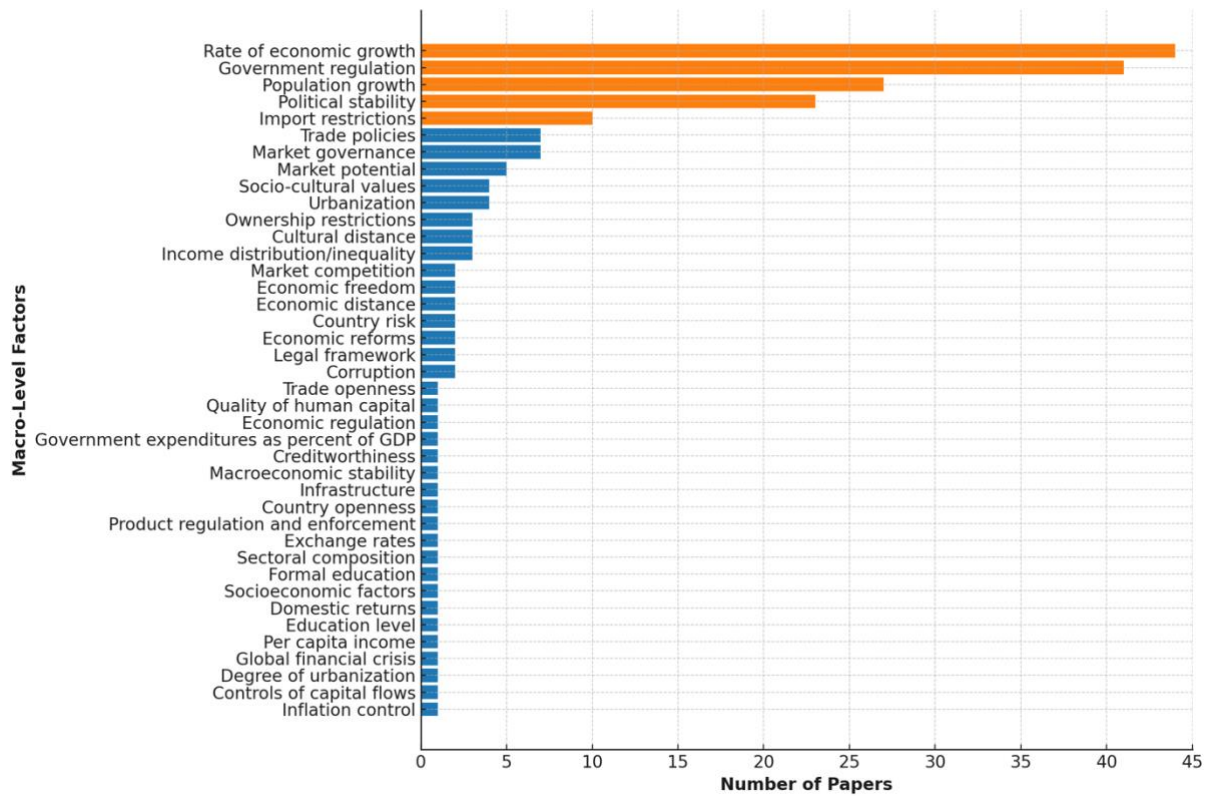


Figure 2: Frequency with Which the Macro-Level Factors Are Mentioned in the Reviewed Papers

4.2 Meso-Level Factors

- Urbanization and Market Heterogeneity:** Urbanization and market heterogeneity are the most frequently mentioned meso-level factors, with each appearing in 53.3% and 33.3% of the papers, respectively. Urbanization drives the concentration of retail activities in major cities, while market heterogeneity reflects the diverse and compound nature of emerging markets.
- Culture and Institutional Factors:** Culture and institutional factors are also critical and were highlighted in 22.2% of the papers. These factors influence consumer behavior and business operations in different regions.
- Other Influential Factors:** Language, affluence, and institutional quality, although less frequently mentioned, significantly impact market dynamics and consumer behavior.

The frequency with which the meso-level factors were mentioned is presented in Figure 3.

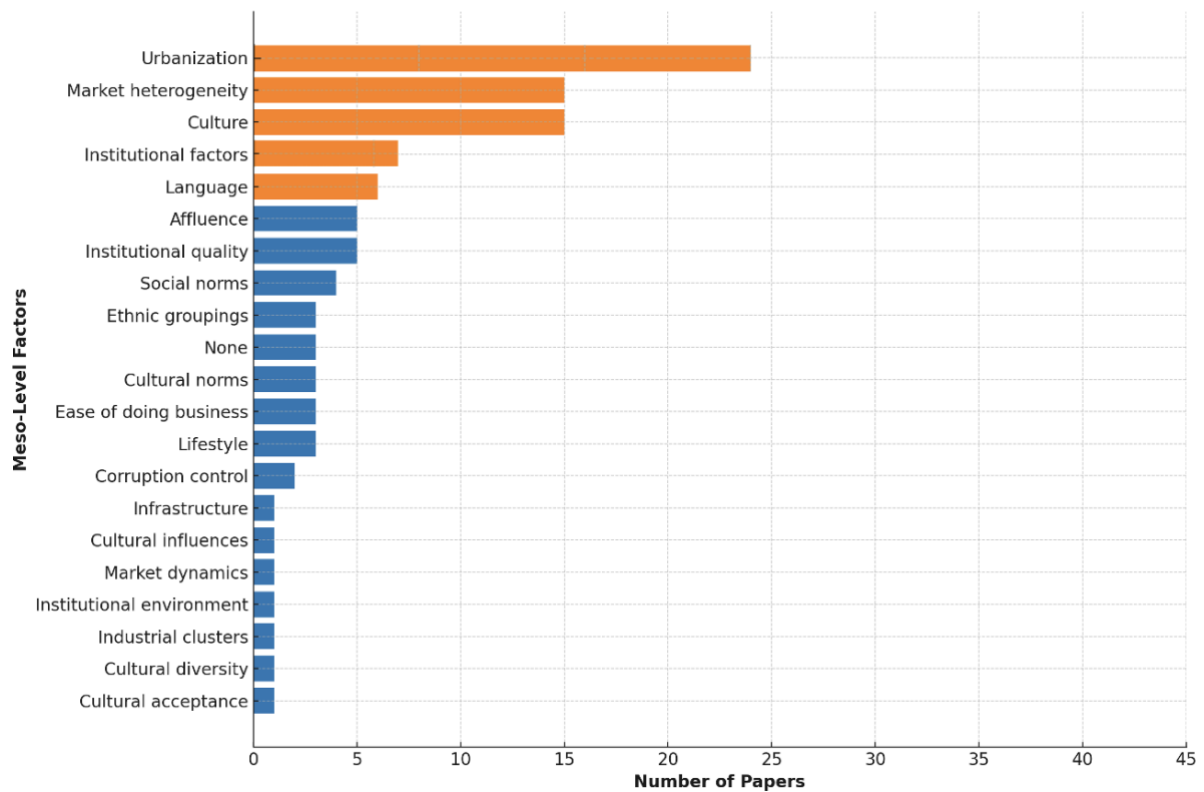


Figure 3: Frequency with Which the Meso-Level Factors Are Mentioned in the Reviewed Papers

4.3 Micro-Level Factors

- Market Infrastructure:** Market infrastructure is the most frequently cited micro-level factor and is mentioned in 66.7% of the papers. A well-developed infrastructure is essential for efficient business operations and market access.
- Number, Size, and Types of Stores Available:** This factor was highlighted as being significant in 22.2% of the studies, which emphasizes the importance of retail presence and accessibility for consumers.
- Social and Living Context:** With a 17.8% citation rate, the social and living context, including the nature of housing and family living arrangements, affects consumer behavior and market potential.

The frequency with which the micro-level factors are mentioned is depicted in Figure 4.

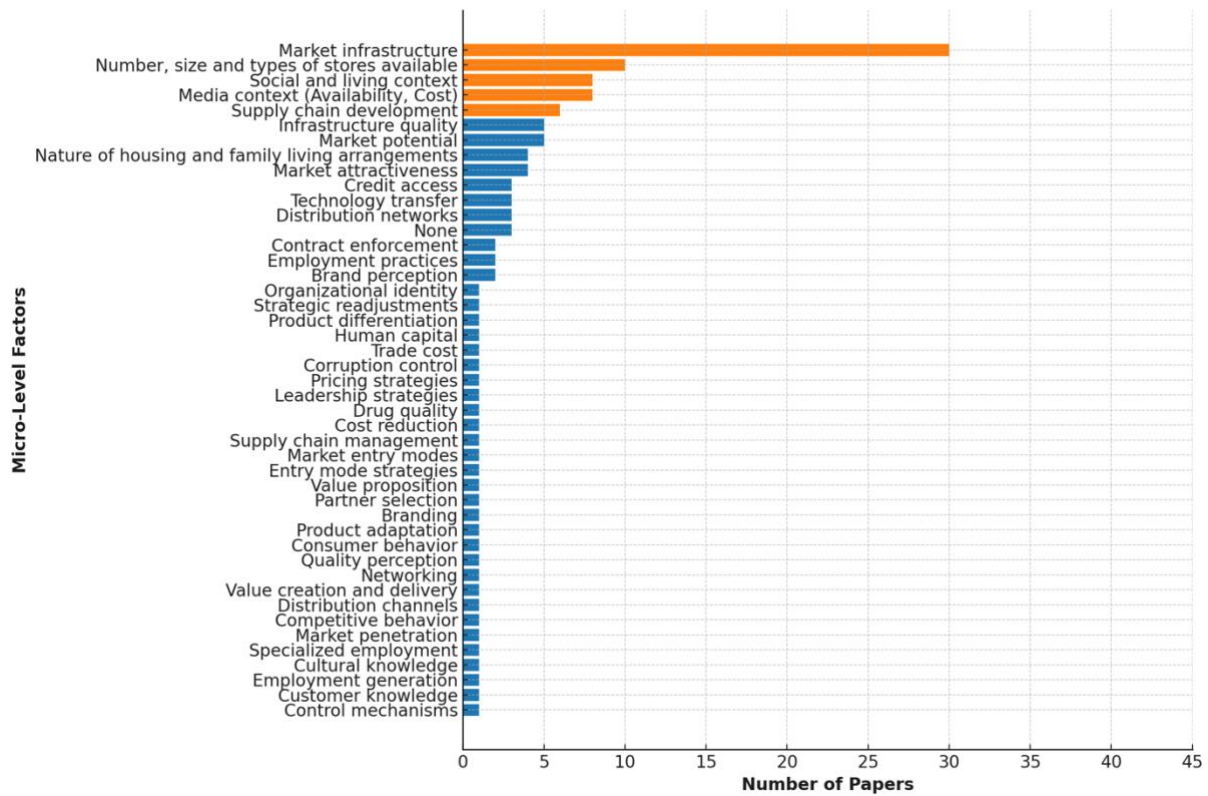


Figure 4: Frequency with Which the Micro-Level Factors Are Mentioned in the Reviewed Papers

4.4 Situational Factors

- **None:** As expected, 88.9% of the papers do not explicitly mention situational factors, which suggests that these are less frequently considered in the literature. However, specific situational factors such as legal restrictions, tariff changes, and cultural unfamiliarity are mentioned in individual papers, indicating their context-specific relevance.

5. Discussion and Implications

The results of this analysis show that macro-level factors such as government regulation and economic growth are always important for attracting FDI and affect consumer behavior in emerging markets. While micro-level factors such as market infrastructure emphasize the significance of operational efficiency and accessibility, meso-level factors (e.g., urbanization and market heterogeneity) highlight the intricate nature and variety of these marketplaces.

In this chapter, the findings from the LR are discussed and analyzed. The chapter commences with an investigation of the identified contextual factors and their impact on MESs in the

Indian retail sector. By evaluating these factors over time, patterns and connections are uncovered that are critical for understanding the strategic decisions of Western firms. This is followed by a detailed evaluation of how different methods and research approaches have been used in the literature to study these factors. Through this analysis, the strengths and limitations of the studies conducted to date are highlighted in conjunction with the gaps in existing research, which are important for understanding the unique challenges and opportunities in this market.

5.1 Analysis of Contextual Factors Over Time

5.1.1 Analysis of Macro-Level Factors Over Time

The literature on foreign market entry into India's retail sector highlights evolving concerns related to several macro-level factors over time. While market governance, political stability, population growth, trade policies, and import restrictions have each played significant roles in shaping the strategic decisions of foreign investors, their prominence has shifted in response to broader economic and political developments.

Political stability has consistently emerged as a crucial consideration for market entry, particularly during periods of significant regulatory change or political uncertainty. Notably, during the early 2010s, when India experienced shifts in economic policy and governance, political stability was a key concern for foreign firms looking to establish a foothold in the market. The literature from 2012 (Mukherjee et al., 2012; Bertoldi et al., 2012; Chari & Raghavan, 2012), for example, reflects heightened attention to India's political environment, as businesses sought to mitigate risks associated with fluctuating government policies. This attention continued into the mid-2010s (Nath, 2013; Holtbrügge & Baron, 2013; Ulrich et al., 2014; Elg et al., 2014; Peddi, 2014; Esser & Jemigan, 2015), reflecting the importance of stable governance for long-term investment strategies.

Population growth stands out as another pivotal factor in the literature, reflecting India's unique demographic advantages. Over the years, as India's population continued to expand and urbanize, particularly during the mid-2010s, this factor became increasingly important in discussions surrounding market entry. The literature from 2014 (Khan & Banerji, 2014; Ulrich et al., 2014; Patibandla, 2014; Elg et al., 2014; Mukherjee, 2014; Peddi, 2014; Ancarani et al., 2014), for instance, highlights how the growing middle class and youth demographic were driving consumer demand, making India an attractive destination for retail

investment. As India's urbanization accelerated, this focus broadened to include not just the size of the population but also shifts in consumer behavior and rising income levels, thereby underscoring the demographic opportunities available to foreign firms.

Market governance and **trade policies** have been discussed more intermittently, often gaining prominence during periods of regulatory reform or economic liberalization. The literature from 2007 and 2011 (Nandi & Sahu, 2007; Coe & Wrigley, 2007; Enderwick, 2008; Halepete et al., 2008; Batra & Niehm, 2009; Rao & Murthi, 2011), for example, reflects a particular focus on governance issues in the context of India's evolving regulatory environment. These years saw significant discussions on navigating India's complex regulatory landscape, especially as the country began to open up more sectors to foreign investment. Trade policies, while less consistently featured, have resurfaced in the literature starting from key periods, such as the late 2010s (Agostino & Trivieri, 2016; Paul & Jadhav, 2019; Bennet & Yin, 2019; Thangadurai & Pallavi, 2020; Contractor et al., 2021; Bhat et al., 2023; Padhi, 2024), reflecting India's shifting stance on protectionism versus liberalization in response to global economic pressures.

Finally, **import restrictions** were less frequently highlighted in newer studies but remain relevant in certain contexts. They were more prominently discussed in the earlier years, such as 2006 to 2013 (Welsh et al., 2006; Nandi & Sahu, 2007; Coe & Wrigley, 2007; Johnson & Tellis, 2008; Enderwick, 2008; Halepete & Iyer, 2008; Halepete et al., 2008; Batra & Niehm, 2009; Lu et al., 2009; Matusitz & Reyers, 2010; Rao & Murthy, 2011; Johansson & Leigh, 2011; Alam Iqbal et al., 2012; Mukherjee et al., 2012; Bertoldi et al., 2012; Chari & Raghavan, 2012; Nath, 2013), when the retail industry faced challenges due to tariff structures or non-tariff barriers. Although import restrictions are not a dominant theme in the broader discourse on FDI in India, they have remained a consideration for firms where these barriers create significant hurdles (e.g., Thangadurai & Pallavi, 2020).

In summary, the literature shows that while all five macro-level factors have played roles in shaping foreign MESs for penetrating the Indian market, their significance has fluctuated over time. Political stability and population growth have consistently been emphasized as long-term considerations, especially in critical years such as 2012 and 2014. In contrast, market governance, trade policies, and import restrictions have gained attention during specific periods, particularly in response to regulatory shifts and economic reforms. This dynamic interplay between various macro-level factors highlights the complexity of navigating the

Indian market and underscores the need for firms to remain adaptable in their strategic planning.

5.1.2 Analysis of Meso-Level Factors Over Time

Numerous meso-level factors that affect strategic choices are also highlighted in the literature on foreign market entry into India's retail industry. The regional and sub-national difficulties that foreign businesses must manage are reflected in these factors, which include institutional factors, language, market heterogeneity, culture, and urbanization. Due to regional inequalities and India's changing economic landscape, these components' relative importance has changed over time.

Periodically, **institutional factors** have attracted more attention, especially in years when state or regional regulatory frameworks saw substantial changes. For example, between 2015 and 2020 (Bortoluzzi et al., 2015; Esser & Jernigan, 2015; Pederzoli & Kuppelwieser, 2015; Landau et al., 2016; Tasavori et al., 2016; Agostino & Trivieri, 2016; Pant & Ramachandran, 2017; Billore & Billore, 2018; Guercini & Runfola, 2019; Paul & Jadhav, 2019; Bennett & Yin, 2019; Thangadurai & Pallavi, 2020; Loehde et al., 2020), institutional factors were especially highlighted. The research shows that successfully entering the Indian market requires managing these institutional complexities, particularly in industries where operations are directly impacted by regional legislation.

Urbanization remains a recurrent issue, particularly as India's metropolitan centers grew quickly in the 2010s. For instance, urbanization was a major topic in 2015 as research examined the prospects that India's expanding cities offered (Guercini & Runfola, 2015; Dua & Garg, 2015; Bortoluzzi et al., 2015). Moreover, due to the growing middle class in urban areas and the increased concentration of retail activity in metropolitan areas, urbanization is now a crucial component of market entry tactics. This emphasis highlights the necessity for international businesses to target urban consumers while taking the logistical and infrastructural challenges associated with doing business in densely populated urban areas into account.

Market heterogeneity is another key meso-level factor that has been highlighted in multiple periods. The diversity of India's market, with its wide range of consumer preferences, regional cultures, and economic disparities, has made this a central concern. The literature from 2015 (Bortoluzzi et al., 2015; Esser & Jernigan, 2015; Pederzoli & Kuppelwieser, 2015;

Landau et al., 2016; Tasavori et al., 2016; Agostino & Trivieri, 2016; Pant & Ramachandran, 2017; Billore & Billore, 2018; Guercini & Runfola, 2019; Paul & Jadhav, 2019; Bennett & Yin, 2019; Thangadurai & Pallavi, 2020; Loehde et al., 2020; Contractor et al., 2021; Bhat et al., 2023; Padhi, 2024) emphasizes the importance of recognizing these regional differences when formulating MESs. Firms that successfully adapt to local market conditions, rather than treating India as a monolithic entity, are more likely to achieve sustainable success.

While **language** and **culture** have been discussed more selectively, they remain crucial in specific contexts. For instance, language, although not frequently addressed, received more attention in studies from the mid-2000s (Welsh et al., 2006; Nandi & Sahu, 2007; Coe & Wrigley, 2007; Johnson & Tellis, 2008; Enderwick, 2008; Halepete & Iyer, 2008; Halepete et al., 2008; Batra & Niehm, 2009) when firms entering India needed to navigate the linguistic diversity that characterizes the country. In contrast, cultural factors have been highlighted more consistently (e.g., Nandi & Sahu, 2007; Matusitz & Reyers, 2010; Alam Iqbal et al., 2012; Ragland et al., 2014; Guercini & Runfola, 2015) because companies have to adapt their marketing strategies to resonate with local cultural norms and practices. These discussions reflect the ongoing need for cultural sensitivity and localized communication strategies in a market as diverse as India.

Hence, to summarize, it is evident from the literature that meso-level factors such as institutional considerations, urbanization, market heterogeneity, language, and culture are vital components of successful MESs in India. Their prominence in the literature has varied over time, reflecting the changing regional dynamics within the country. Urbanization and market heterogeneity, in particular, have become increasingly important as India's cities continue to grow and diversify. Meanwhile, institutional factors, language, and culture remain critical in specific contexts, highlighting the need for foreign firms to tailor their approaches to the unique challenges and opportunities presented by India's regional variations.

5.1.3 Analysis of Micro-Level Factors Over Time

The literature on foreign market entry into India's retail sector highlights several micro-level factors that are crucial for navigating the complexities of this dynamic market. These factors—market infrastructure, media context (availability and cost), the number, size, and types of stores available, social and living context, and supply chain development—represent the operational realities that foreign firms must address when establishing a presence in India.

Over time, the prominence of these factors has shifted, reflecting changes in India's retail environment and consumer behavior.

Market infrastructure has consistently been a critical concern, especially during periods of rapid urbanization and infrastructural expansion in India. For instance, in the literature from 2008 and 2014 (Enderwick, 2008; Halepete & Iyer, 2008; Halepete et al., 2008; Batra & Niehm, 2009; Lu et al., 2009; Matusitz & Reyers, 2010; Rao & Murthy, 2011; Johansson & Leigh, 2011; Alam Iqbal et al., 2012; Mukherjee et al., 2012; Bertoldi et al., 2012; Chari & Raghavan, 2012; Nath, 2013; Holtbrügge & Baron, 2013; Khan & Banerji, 2014; Ulrich et al., 2014; Patibandla, 2014), market infrastructure is emphasized as a foundational element for successful market entry. Foreign firms looking to establish efficient supply chains and ensure the timely distribution of products have had to adapt to India's evolving transportation and logistics networks. This factor remains vital as firms seek to balance cost-effectiveness with the need to reach consumers across the country's diverse geographic regions.

Media context (availability and cost) also emerges as a significant factor, particularly in relation to how firms engage with Indian consumers. The literature from 2006 to 2012 (Welsh et al., 2006; Nandi & Sahu, 2007; Coe & Wrigley, 2007; Johnson & Tellis, 2008; Enderwick, 2008; Halepete & Iyer, 2008; Halepete et al., 2008; Batra & Niehm, 2009; Lu et al., 2009; Matusitz & Reyers, 2010; Rao & Murthy, 2011; Johansson & Leigh, 2011; Alam Iqbal et al., 2012; Mukherjee et al., 2012; Bertoldi et al., 2012) reflects a growing recognition of the importance of media in shaping consumer perceptions and driving brand visibility. As the media landscape in India expanded, especially with the rise of digital platforms, firms had to consider the availability and cost of various media channels to effectively market their products. From 2015 onward (Bortoluzzi et al., 2015; Esser & Jernigan, 2015; Pederzoli & Kuppelwieser, 2015; Landau et al., 2016; Tasavori et al., 2016; Agostino & Trivieri, 2016; Pant & Ramachandran, 2017; Billore & Billore, 2018; Guercini & Runfola, 2019), the discussions about media broadened to focus on the challenges and opportunities of engaging with India's increasingly digital and mobile-connected population.

The number, size, and types of stores available have been a more consistent and important focus area, particularly as foreign firms have sought to establish a physical retail presence in India. The literature highlights how the availability of retail outlets influences market penetration strategies. Companies must carefully choose between standalone stores, partnerships with local retailers, or expansion into existing retail chains to ensure product

accessibility. The ongoing growth of organized retail in India has made this factor increasingly relevant as companies compete for consumer attention in both urban and rural areas (e.g., Halepete & Iyer, 2008; Mukherjee et al., 2012; Bertoldi et al., 2012; Loehde et al., 2020).

The importance of social and living settings has been highlighted on occasion, especially in the 2010s. The literature from 2012, for example, examines how local social dynamics and living conditions affect customer behavior and product preferences (Alam Iqbal et al., 2012; Mukherjee et al., 2012; Bertoldi et al., 2012). Tailoring goods and services to the demands of Indian customers requires an understanding of the country's varying socio-economic circumstances. For businesses looking to customize their products for various Indian areas and demographic groupings, this element is still very important.

Finally, supply chain development has gained attention in more recent years, reflecting the increasing complexity of India's retail sector. The literature from 2014 to 2019 (Patibandla, 2014; Elg et al., 2014; Peddi, 2014; Ancarani et al., 2014; Bortoluzzi et al., 2015; Guercini & Runfola, 2019; Bennett & Yin, 2019) points to the need for robust supply chains that can support large-scale market entry and distribution efforts. Businesses must make investments in supply chain infrastructure that can meet the demands of a wide and diverse market as competition heats up and customer expectations rise. As India's retail industry develops further and places more focus on cost-effectiveness and efficiency in delivering goods to customers nationwide, this factor has grown in significance.

In summary, the research shows that effective market entry methods in India depend on micro-level factors such as supply chain development, media environment, store types and availability, social and living situations, and market infrastructure. These factors have become more significant at various points in time, reflecting changes in the retail landscape of India and the difficulties faced by international businesses. Market infrastructure and supply chain development, in particular, have become increasingly important as India's retail landscape becomes more complex, while media context, store availability, and social conditions continue to influence consumer behavior and market dynamics. Foreign firms must remain adaptable to these micro-level challenges to succeed in the Indian market.

5.2 Analysis of the Literature by Methods and Scope

The research on foreign market entry into India's retail sector employs a variety of methods to examine the contextual factors at different levels. These studies range from empirical surveys and econometric analyses to qualitative case studies and theoretical frameworks. The following analysis details how different methodologies engage with each contextual factor and how the scope of these studies influences their focus, with references to the literature.

5.2.1 Quantitative Methods

Quantitative studies are frequently used to explore **macro-level** factors such as economic growth, regulatory impacts, and market size. For instance, methodologies involving **survey data** or **panel data analysis** tend to focus on measurable elements such as market infrastructure and government policies. These studies often have a broad **geographical scope**, analyzing national trends across India, and typically cover multiple years to identify patterns and shifts in economic performance.

An example of quantitative studies addressing national-level economic factors across multiple regions can be found in the study by Khan and Banerji (2014) who use **econometric analysis** and **secondary data** to evaluate the impact of FDI on India's economic performance. They highlight the post-1991 economic reforms as a key driver of FDI inflows and economic growth, thereby reflecting a broad temporal and geographical scope.

In the study by Mukherjee et al. (2012), **survey data** is used to analyze the brand consciousness of Indian consumers. This quantitative study focuses on **market infrastructure** and **social and living context** as key drivers of consumer behavior in India's retail sector.

5.2.2 Qualitative Methods

Case studies, interviews, and content analysis are examples of **qualitative techniques** that are commonly used to investigate meso-level and micro-level factors. These methods enable a thorough analysis of more intricate and subtle topics such as the social context, consumer behavior, and cultural variations. Such studies, which have a more limited geographic scope but offer more detail, frequently concentrate on certain industries or regions within India.

For example, Bertoldi et al. (2012) conducted in-depth case studies in the Indian gourmet coffee business to show how international retailers have successfully adapted to local market needs, highlighting the significance of consumer relationship management and cultural alignment.

Welsh et al. (2006) provide another example in which qualitative case studies emphasize the importance of localizing brand strategies to appeal to the diverse cultural backgrounds of Indian consumers. This study emphasizes how important it is for international businesses to understand and adjust to regional differences, which qualitative approaches are particularly well-suited to reveal. For instance, in their examination of the Indian apparel market, Mukherjee et al. (2012) also noted how these insights enable businesses to better customize their goods to match the unique needs of urban versus rural consumers.

5.2.3 Mixed Methods

Some studies use a combination of **quantitative and qualitative methods** to provide a more comprehensive analysis of the market. These **mixed-method approaches** are valuable in addressing both the measurable economic factors at the macro level and the more qualitative, behavioral factors at the micro level. Mixed methods are often employed in studies with a broad scope, such as those that assess the impact of FDI on both national policy and local consumer behavior.

For example, in their study of the Indian fashion retail market, Landau et al. (2016) combine quantitative data on market growth with qualitative insights into consumer preferences, illustrating how mixed methods can provide a holistic understanding of both macro-level economic drivers and micro-level cultural factors.

Similarly, Ulrich et al. (2014) employed a mixed-method approach to analyze how FDI policies influence the MESs of Danish SMEs. By integrating survey data with interviews from industry experts, they demonstrated that while economic growth and government regulations play a significant role, local consumer behaviors and retail infrastructure are equally critical for market success. This combination of approaches ensures that companies are not only informed about the broad market opportunities but also understand the specific challenges at the regional and local levels.

5.2.4 Conceptual and Theoretical Frameworks

To derive broad models that direct MESSs, conceptual studies that provide theoretical frameworks devoid of empirical data are frequently utilized. The conceptual scope of these studies is usually broad, to create frameworks that may be used in a variety of Indian contexts.

According to Coe and Wrigley (2007), the Uppsala Internationalization Model emphasizes the gradual market entry strategy, in which businesses progressively strengthen their commitment to foreign markets as they gain expertise. This methodology has proven especially pertinent to retailers entering the Indian market, for whom gaining local expertise and adapting to the environment are essential for long-term success. According to Matusitz and Reyers (2010), businesses such as Walmart have effectively used this strategy by progressively growing their footprint in India and modifying their tactics as they learn about the local market.

Finally, the RBV, as implemented by Holtbrügge and Friedmann (2012), highlights the significance of utilizing firm-specific resources such as technological advancements, global supply networks, and brand recognition. Businesses that can take advantage of these special resources while adapting to local market conditions stand a better chance of success in the Indian retail sector. Esser and Jernigan (2015), for instance, talk about how foreign alcohol brands that have entered the Indian market have used their established global brand presence to differentiate themselves.

This analysis underscores the importance of choosing the appropriate methodology based on the scope and focus of the study. For foreign firms entering the Indian retail market, understanding both the macroeconomic environment and the localized challenges is essential, and the literature reflects the need for a diverse set of research approaches to fully capture the complexities of this market.

5.3 Gaps

From the overview of the literature, it is evident that there are numerous unanswered questions on the wide range of intricate factors affecting Western companies' entry into the Indian retail industry. Even though extensive research has been conducted on broad topics such as consumer behavior, economic growth, and regulations, important contextual layers are still not well understood. These include the intricate effects of cultural variety at the subnational level, the widespread role of India's informal sector, and the fragmentation of

regional regulations. Additionally, emerging digital transformation structures and situational factors, such as customer reactions during festival seasons, are rarely addressed in sufficient detail. In addition to enhancing the current scholarly discussion, filling these gaps can provide businesses with useful information specific to India's multifaceted retail landscape.

5.3.1 Regulatory Fragmentation at the Meso Level

The lack of emphasis on India's regulatory fragmentation is one of the biggest shortcomings at the meso-level. Few studies explore the subtleties of regional regulatory variances across India's states, despite the regular discussions of government policies and regulations at the macro level. Because of India's federal structure, states are free to enact their own laws, which might differ greatly, particularly in industries such as retail. For example, the state of Maharashtra may have a different interpretation and implementation of labor laws and FDI policies than Tamil Nadu. The specific intricacies of state-level regulatory changes are typically ignored, even though some research, such as that of Matusitz and Reyers (2010), touches on the difficulties presented by government regulations on a broad level.

This fragmentation can have a profound impact on a company's market entry strategy, influencing decisions concerning store locations, supply chains, and local partnerships. The regulatory environment in India is highly fragmented across states, with significant variation in FDI policies, tax structures, and labor laws at the meso level. This presents a challenge for foreign firms that aim to operate uniformly across India but must adapt to regional regulatory differences. According to Nath (2013), it is critical to comprehend the decentralized regulatory environment, which frequently requires that businesses create state-specific compliance strategies. Furthermore, Rao and Murthy (2011) emphasize that navigating these regional differences can significantly affect location decisions for multinational corporations. Addressing this gap is crucial, as it would help firms develop more adaptable strategies for market entry across India's diverse regulatory environments.

5.3.2 Informal Economy Influence at the Micro Level

Another critical gap at the micro level is the limited discussion of the informal economy's influence on the retail sector. India has a vast informal economy, which includes unregistered retailers, street vendors, and small-scale businesses or the kirana stores that operate outside of formal regulatory frameworks. Consumer behavior and competitive dynamics are greatly influenced by the informal retail industry, which is well-established in both urban and rural

locations. While the effect of informal retail on the preferences of consumers is mentioned briefly by Mukherjee et al. (2012), the broader impact of the informal sector is not thoroughly explored.

If this element is overlooked, the competitive landscape may not be fully understood. Price-conscious consumers are frequently served by the informal sector, which also provides convenience that standard retail chains can find difficult to match. For foreign entrants, the informal economy can either serve as a partner or a competitor, offering chances for collaboration or presenting challenges in terms of brand building and market penetration. Particularly at the micro and meso levels, little is known about how the informal sector affects organized retail. Small enterprises and unregistered retailers make up the informal sector, which frequently controls local marketplaces, particularly in rural and semi-urban areas. Because of their lower prices and more adaptable business models, informal retailers put formal retailers under competitive pressure (Coe & Wrigley, 2007). Multinational firms find it difficult to compete with these firmly established local suppliers, who frequently have close social and cultural ties to their communities (Peddi, 2014). Future research should explore the dynamics between formal and informal retail to help foreign firms better navigate this complex environment, potentially by incorporating informal practices into their distribution networks or pricing strategies.

5.3.3 Digital and E-Commerce Integration at the Macro Level

The impact of digital transformation on MESs is not sufficiently covered in many of the examined studies, despite the tremendous growth of e-commerce in India and the advent of digital technologies. Few studies examine how digital platforms are changing consumer behavior, logistics, and competitive strategies in the retail industry, although some researchers, like Khan and Banerji (2014), mention the growing significance of e-commerce.

The gap is noteworthy since digital transformation signifies a fundamental change in the way Indian retail functions. With new avenues for market access and customer interaction, e-commerce behemoths such as Flipkart and Amazon have fundamentally altered the retail scene. Foreign businesses now have the chance to get around some of the physical infrastructure issues that traditional retail faces thanks to the growth of e-commerce in India. However, how businesses might include e-commerce in their market entry strategy at the macro (national digital infrastructure) and meso (regional digital penetration) levels is not adequately covered in the literature. Reardon et al. (2007) discuss how regional sourcing

systems and digital platforms are becoming increasingly important in emerging markets, while Dutta and Sarma (2020) highlight the potential for e-commerce to extend market reach to underserved regions in India, particularly rural areas.

Future research should address how digital platforms can be leveraged for market entry, particularly in reaching remote or underserved areas where traditional retail infrastructure is lacking. Additionally, more research is needed to explore how foreign firms can employ an omnichannel strategy, blending online and offline retail to capture a broader segment of the Indian market. Foreign firms that fail to integrate digital strategies into their market entry plans may find themselves at a disadvantage compared to local players who have already adapted to the digital economy.

5.3.4 Cultural Nuances and Subcultures at the Meso Level

Usually phrased in terms of broad national cultural ideals, the literature frequently discusses culture as a monolithic matter. However, a more thorough examination of India's cultural distinctions and subcultures, especially at the regional and local levels, is lacking to date. India's cultural diversity includes a wide range of languages, religions, and social customs that differ greatly from one another. These subcultural variations can affect marketing strategies, brand perception, and consumer preferences, among other things. The significance of adjusting to local culture is mentioned in certain publications (Batra & Niehm, 2009), although the subtleties of subcultures in various parts of India are frequently disregarded.

The literature's neglect of these cultural aspects leaves a knowledge vacuum regarding how international businesses can modify their offerings and marketing strategies to appeal to various Indian market niches. For instance, because of language and cultural differences, what attracts customers in North India may not have the same effect in South India. Understanding regional cultural differences is essential for the effectiveness of international marketing initiatives, as indicated by the work of Craig and Douglas (2011). By filling this gap, businesses may be able to create more regional approaches that improve their prospects of success in India's varied retail environment.

5.3.5 Situational Factors: Specific Consumer Contexts

As expected, situational factors, such as the influence of specific consumption contexts (e.g., festival periods, seasonal purchasing, and work versus leisure consumption), are also underrepresented in the literature. Only a handful of studies (Mukherjee et al., 2012; Pederzoli & Kuppelwieser, 2015; Landau et al., 2016; Tasavori et al., 2016; Loehde et al., 2020) touch on these situational nuances, even though they can significantly influence consumer behavior and retail performance in India. For instance, festivals such as Diwali or special occasions such as weddings drive significant retail activity, and understanding these situational factors is crucial for timing market entry, promotions, and inventory planning.

The literature may be undervaluing the significance of contextual time in market entry tactics, as indicated by the relative lack of attention that is paid to situational factors. According to Feurer et al. (2016), critical situational factors, such as the timing of promotions around key holidays, can have a significant impact on market performance in emerging markets like India. By filling this knowledge gap, international businesses may be better equipped to recognize India's cyclical consumer demand, which would enable them to plan their entry strategies and coordinate their marketing initiatives during periods of high consumption.

These gaps highlight the necessity of a more positioned and sophisticated approach to researching foreign market entry into the Indian retail industry. Critical elements that, if disregarded, could jeopardize the effectiveness of MESs include regulatory fragmentation, the informal economy, digital transformation, cultural differences, and situational considerations. Future studies can provide more thorough advice for businesses attempting to negotiate the intricacies of the Indian retail industry by filling up these gaps, which will ultimately lead to more successful and contextually relevant strategies.

6. Managerial Implications

This study identifies several key contextual factors influencing the market entry of Western firms into the Indian retail sector. These factors, examined at the macro, meso, and micro levels, directly inform the managerial implications outlined in this section, providing practical guidance for businesses seeking to enter this highly diverse and complex market.

6.1 Tailoring Strategies to Regional and Demographic Diversity

As highlighted in the findings related to the meso-level factors in Chapter 4.2, India presents significant regional variation in consumer behavior, economic conditions, and cultural preferences. Businesses must thus adopt region-specific market methods instead of a “one-size-fits-all” strategy. For instance, marketing plans and product offerings must be adjusted according to the differences between urban and semi-urban, as well as rural, regions.

Businesses should concentrate on high-end goods and digital platforms in cities such as Delhi and Mumbai, where customers may place a higher value on convenience and international trends. On the other hand, measures centered on affordability that take local consumption patterns and inadequate infrastructure into account are needed in rural areas.

6.2 Navigating the Fragmented Regulatory Environment

Due to the complexity of India’s regulatory environment, especially the difference between national and state-level regulations (as demonstrated by the macro- and meso-level study), Western businesses have to work with local partners who are aware of the subtleties of state-specific laws. Establishing strategic alliances or joint ventures with other local businesses might assist companies in navigating local regulations more effectively and addressing compliance concerns. These collaborations also provide access to local networks and expertise, which is crucial for overcoming bureaucratic obstacles that vary significantly between India’s states.

6.3 Leveraging Digital Transformation for Market Entry

As discussed in the Analysis concerning micro-level factors in Chapter 5.1.3, the rapid rise of digital infrastructure in India, driven by increased internet penetration and the growth of e-commerce, represents a critical opportunity for Western firms. Companies should prioritize digital and omnichannel strategies that integrate online and offline retail to effectively reach consumers across regions. Partnering with established e-commerce platforms such as Flipkart or Amazon India can enable faster market entry and provide a scalable way to reach both urban and rural consumers. Investing in robust digital marketing campaigns can also enhance brand visibility, especially among India’s growing young and tech-savvy population.

6.4 Targeting the Expanding Middle Class and Youth Demographic

India’s middle class and youth demographic—identified as pivotal in the macro-level analysis in Chapter 5.1.1—are key drivers of retail consumption. Western firms must design products

and marketing strategies that appeal to these segments by offering affordable yet aspirational goods. Brands that emphasize quality, innovation, and a balance between global and local trends are more likely to attract these consumers. Marketing campaigns should be digitally oriented and use popular social media platforms to engage with younger audiences who are increasingly influencing consumption patterns.

6.5 Integrating the Informal Sector into Distribution Strategies

The informal retail sector, which includes small, unorganized stores and local vendors, still plays a dominant role in India's retail landscape. As highlighted in the micro-level analysis of market structure, Western firms should consider collaborating with this sector to expand their distribution networks. By engaging with local distributors and leveraging existing relationships in the informal sector, firms can gain access to a broader consumer base, particularly in areas where formal retail is less developed. This strategy is essential for reaching cost-sensitive consumers in rural markets, where traditional retail channels dominate.

6.6 Strategically Timing Market Entry and Promotions

As indicated in the situational factors analysis, festivals and important national events are examples of cultural and situational factors that significantly influence consumer behavior. To take advantage of periods when consumer spending is higher, Western businesses should time their market entry and marketing initiatives to coincide with these occasions. For instance, introducing new products around the festival of lights (Diwali) or other significant occasions might increase awareness and maximize sales. By aligning promotions with major cultural events, such as Diwali, companies can maximize sales during periods of heightened spending while also building stronger emotional connections with local consumers, which may enhance long-term brand loyalty.

6.7 Building Resilient Supply Chains

The significance of supply chain resilience is highlighted by the examination of micro-level issues, particularly when negotiating India's geographical and infrastructure variety. Western businesses must make investments in logistics systems that can facilitate distribution in both urban and rural locations. Reducing operating expenses and improving product availability are two benefits of effective supply chain management that are essential for maintaining

competitiveness. By leveraging local resources and experience, local collaborations can also help streamline distribution and logistics.

6.8 Prioritizing Sustainability and Corporate Social Responsibility Initiatives

Indian customers' growing consciousness of sustainability, especially among the expanding middle class, offers Western businesses a chance to stand out. Studies on consumer behavior have shown that modern Indian consumers are quite receptive to corporate social responsibility (CSR) programs and ecologically friendly activities. In addition to adhering to new requirements, businesses that use ethical sourcing, environmentally friendly packaging, and community involvement tactics will increase brand loyalty among value-conscious customers. An increasingly important trend in India's retail sector is the growing number of businesses focusing on social and environmental responsibility, including ethical sourcing, eco-friendly practices, and community involvement.

6.9 Maintaining Flexibility Through Continuous Market Research

As indicated by the study's overall findings, given the dynamic nature of India's retail sector, companies must maintain flexibility and regularly change their market strategies in response to shifting trends. Businesses will be able to respond swiftly to changes in customer preferences, regulatory updates, and competitive dynamics if they conduct regular market research that includes both qualitative and quantitative data. It is essential to keep track of these developments to make well-informed strategy adjustments that ensure sustained market success.

7. Research Limitations

The particular scope, methods, and context of the research are the sources of this study's limitations. To present an objective evaluation of the results and their relevance, these limitations must be recognized. Firstly, there is a limit to the generalizability of the findings beyond the Indian retail sector. These findings might not be applicable to other industries or geographical areas, even if the study provides insightful information for Western businesses looking to enter the Indian retail industry. Every industry has distinct traits, and there can be wide variations in the contextual elements affecting market entry tactics. Secondly, since the study focused exclusively on Western businesses, the approaches and implications it

presented might not apply to businesses in other regions, such as Asia or the Middle East, where business practices and cultures differ significantly. The conclusions' wider applicability is constrained by this concentration.

Thirdly, because the study uses an LR methodology, it is inevitably reliant on the quality and availability of existing studies. The results are limited by the scope of earlier research, which might not have taken all new trends or the most recent advancements in the Indian retail industry into account. Furthermore, the decision to concentrate on journals that are ranked in the higher quartiles (Q2 and above) could lead to the omission of important information from discrete sources or recently published research that is not yet widely acknowledged. Although this selection criterion ensures a certain degree of academic rigor, it may restrict the range of viewpoints that are covered in the review. Additionally, the selection and understanding of the literature leave room for potential bias since it is possible to overlook certain details or alternate interpretations due to the subjective judgment required to classify and analyze contextual factors. Despite efforts to maintain objectivity, personal biases may influence the synthesis of the findings.

Finally, the rapid changes in the Indian retail market and the global economic environment present a challenge to the relevance and practicality of the findings over time. The Indian market is characterized by rapid advancements in technology, legislative changes, and altered customer behavior. Similarly, market entry plans can be impacted by global economic conditions, necessitating continuous adaptation on the part of businesses. Therefore, if new information becomes available, the suggestions made in this study may need to be revisited and updated. In conclusion, while this study offers valuable insights for Western firms entering the Indian retail market, these limitations should be taken into account when considering the broader applicability of the findings and their relevance in a rapidly changing environment.

8. Strategic Outlook and Future Research Pathways

The factors driving Western firms' market entry into the Indian retail sector were thoroughly examined in this thesis. Using a systematic review of a collection of current literature, the study has provided important insights into the intricacies of this developing market and the contextual factors—macro, meso, micro, and situational—that influence the strategies of

businesses entering India. The findings are supported by established theoretical frameworks that offer a basis for comprehending the market dynamics and challenges covered in the work, including Dunning's OLI Model, the Uppsala Internationalization Model, the RBV, and Institutional Theory.

This concluding chapter summarizes the key insights from the thesis, highlights the critical factors identified at different contextual levels, discusses managerial implications, and offers a future outlook for research and practical applications. The goal is to provide a cohesive wrap-up that ties together the theoretical, methodological, and practical contributions made by this study.

8.1 Key Findings from the Theoretical and Empirical Insights

The theoretical foundation established in Chapter 2 highlighted that MESs are inherently complex and influenced by a range of factors from firm-specific capabilities to host-country conditions. Dunning's OLI Model underscored the importance of location-specific advantages, while the RBV emphasized leveraging firm-specific resources and capabilities to gain a competitive edge. These frameworks provided a basis for understanding how firms must align their internal strengths with the external environment when entering new markets, particularly one as diverse and fragmented as India.

The methodology outlined in Chapter 3 demonstrated the value of an SSLR review in identifying key trends and gaps in the existing research. By applying a structured approach to literature collection and analysis, this thesis was able to pinpoint the most frequently cited contextual factors across multiple studies, categorizing them into the macro, meso, micro, and situational levels outlined by Douglas and Craig (2011). The approach allowed for a comprehensive exploration of the factors influencing FDI and consumer behavior in the Indian retail market, laying the groundwork for the discussion in subsequent chapters.

8.2 Synthesis of Contextual Factors and Their Influence on Market Entry

This thesis sought to address two central research questions: (1) Which host-country contextual factors influence the market entry strategies of Western firms into the Indian retail sector? And (2) how these are explored and represented in the existing literature. By synthesizing key insights, the work approaches these questions through the categorization and analysis of macro, meso, micro, and situational factors.

The findings in Chapter 4 demonstrated that each level of contextual factors plays a significant role in shaping MESs for Western firms. However, the degree to which these factors are considered—and their relative importance—varies across the macro, meso, micro, and situational dimensions.

At the **macro level**, the study found that India has become a desirable location for Western businesses due to its rapid economic growth and supportive government policies regarding FDI. Despite its many layers, the regulatory environment has evolved over time, providing increased openness and making it simpler for foreign players to enter. Nonetheless, the findings also indicate that a major obstacle still exists in the regulatory fragmentation between the federal and state governments. To maintain compliance and reduce the risks associated with policy changes, businesses must comprehend these regulatory intricacies.

The **meso-level** analysis underscored the importance of regional differences within India. The country's vast geographic and cultural diversity means that market heterogeneity is a key consideration for firms. As explored in Chapter 5, urbanization has accelerated the growth of metropolitan markets such as Mumbai and Delhi, which offer significant opportunities for high-end and premium brands. In contrast, rural areas, while less developed, represent untapped potential, particularly for affordable, everyday goods. Firms must adopt a region-specific approach, tailoring products, pricing, and marketing strategies to the distinct needs and preferences of consumers in different parts of the country.

This thesis emphasized the importance of localized infrastructure, retail presence, and consumer patterns at the **micro level**. Purchase decisions and consumption habits are directly impacted by local demographic factors such as family structures, income levels, and social conventions. Successful MESs must take these micro-level factors into account by leveraging local retail networks, creating marketing tactics that appeal to local consumers, and setting up effective supply chains, as covered in Chapter 5. One important consideration for businesses, especially those looking to enter rural or semi-urban areas, is the informal retail sector, which accounts for a significant share of the Indian market.

Situational factors, while often overlooked in broader discussions, emerged as a significant consideration in this study. India's vibrant cultural calendar—marked by festivals such as Diwali and regional events—presents unique opportunities for firms to engage with consumers during periods of heightened spending. Firms that align their marketing and product launches with these culturally significant events can capitalize on consumer

enthusiasm and increase brand visibility. Situational factors, therefore, provide a critical timing mechanism for market entry and promotional activities.

8.3 Managerial Implications

Western businesses thinking about entering the Indian retail sector can benefit from the suggestions provided in the managerial implications of this study. The intricacy of the Indian market necessitates that businesses take a flexible and adaptable approach, implementing methods that consider the variations in customer behavior, legal frameworks, and infrastructure throughout the country, as described in Chapter 6.

1. **Strategy Localization:** The need for Western businesses to implement highly localized strategies is among the thesis's most important findings. A one-size-fits-all strategy is ineffective because India's regions vary greatly in terms of infrastructure, income, and cultural preferences. Businesses need to be ready to divide the market into demographic and geographic segments and provide specialized goods and services that capture the distinctive characteristics of each area.
2. **Alliances and Partnerships:** To navigate India's complicated economic environment and overcome regulatory obstacles, it is essential to establish strategic alliances with regional companies. As discussed in Chapter 5, local partners can offer important insights regarding customer preferences, legal needs, and area market dynamics. These collaborations can also assist businesses in developing their supply chains and improving their capacity to enter new markets.
3. **Leveraging Digital Infrastructure:** Businesses have numerous chances to interact with customers through e-commerce and omnichannel retail strategies thanks to India's digital revolution, which is being fueled by the country's high internet and smartphone penetration rates. Reaching tech-savvy urban consumers and breaking into less accessible rural areas require investments in digital infrastructure, including digital marketing and online sales platforms.

4. **Sustainability and CSR:** As Indian consumers are increasingly becoming conscious of social and environmental issues, businesses can set themselves apart from the competition by integrating sustainability and CSR activities into their business strategies. Businesses can increase consumer trust and loyalty by implementing eco-friendly procedures and taking part in community development initiatives, especially in metropolitan regions where these issues are more noticeable.

8.4 Areas for Future Research

Although this thesis offers insightful information about how Western firms enter the Indian market, it must be noted that it has several limitations. For instance, the insights are limited by the extent of previous studies, even though the use of secondary data is useful for synthesizing current knowledge. Conducting primary research, such as surveys or interviews with companies that have successfully entered the Indian retail industry, could help future studies overcome this limitation by providing more detailed insights into how such organizations overcame the difficulties identified in this study.

Furthermore, due to notable advancements in digital infrastructure, technology, and consumer behavior, the retail industry in India is evolving quickly. Future studies should examine how these developments are changing the competitive environment and impacting MESs, especially the growth of e-commerce, mobile purchasing, and digital payment systems. Future studies should also examine how new technologies such as blockchain and artificial intelligence are affecting the retail industry. Supply chain management, customer interaction, and marketing strategies may all be completely revolutionized by these technologies, which would present new opportunities for businesses to improve their operations and gain a competitive advantage in the Indian market.

8.5 Final Conclusion

Through its structured approach, built on the categorization into macro, meso, micro, and situational factors, the thesis has successfully addressed the research questions within its defined scope. The findings provide an understanding of the contextual factors shaping market entry strategies and their representation in academic discourse. While certain aspects, such as the longitudinal impact of regulatory changes, remain open for further exploration, this study makes a significant contribution to both academic and practical perspectives on addressing the challenges and opportunities of the Indian retail market.

In conclusion, this thesis offers a methodical and thorough examination of the contextual factors influencing the MESs of Western firms entering the Indian retail sector. The study makes scholarly and management contributions by combining knowledge from theoretical frameworks, empirical research, and real-world applications. To thrive in a very dynamic and diversified environment, businesses venturing into the Indian market must understand the significance of adaptability, localization, and flexibility. Businesses that are capable of handling India's challenges whilst making use of new opportunities are well-positioned to take advantage of the country's enormous potential as it grows and develops.

While the future of India's retail market is bright, success will require an understanding of its unique challenges and opportunities. This thesis serves as a roadmap for firms seeking to enter this rapidly growing market, providing actionable insights that can inform both strategy formulation and execution in the years to come.

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Appendices

Appendix 1: Contextual Factors Influencing Consumer Behavior

Macro-level factors	Meso-level factors	Micro-level factors	Situational factors
<i>Economic factors</i> Level of GNI per capita Rate of economic growth Income distribution/inequality Government expenditures as percent of GDP Product regulation and enforcement <i>Demographic factors</i> Population Size of different age cohorts Population growth Home ownership Education level Degree of urbanization <i>Socio-cultural factors</i> Socio-cultural values Role of women in society Importance of different religions Internet usage Networking sites and behavior <i>Geographic factors</i> Topography Climate Arable land Availability of natural resources	<i>Within-country differences in...</i> Topography Climate Ethnic groupings Urbanization Affluence Language Lifestyle Culture	<i>Local level information on economic, demographic, geographic and socio-cultural factors</i> <i>Market infrastructure</i> Number, size and types of stores available <i>Social and living context</i> Nature of housing and family living arrangements <i>Media context</i> Availability Cost	<i>Specific situation in which consumption takes place</i> At home vs out-of-home Personal use vs gift Event-specific Weddings Birthdays Rites of passage Work vs leisure Family vs colleagues

adapted from Douglas and Craig (2011)

Appendix 2: Documentation of the Database Search and the Initial Number of Articles Included

Database	Results	Specific Filters
Scopus	1,041	Search within: Article title, abstract, keywords Published from 2004 to 2024 Subject area: Limited to business, management and accounting AND economics, econometrics and finance Document type: Article Country/territory: Limit to *every Western country & India* Source type: Journal Publication stage: Final Language: English
WOS	895	Field: Topic (title, abstract, keyword plus, and author keywords) Date range: 2004-01-01 to 2024-01-01 Document type: Article Countries/regions: Limit to *every Western country & India* Research areas: Business economics, international relations AND Asian studies
Sum	1,936	

Source: provided by Author (2024)

Appendix 3: Data Assignment to the Four Contextual Levels

Authors	Year	Macro Level	Meso Level	Micro Level	Situational Level
Matusitz and Reyers	2010	Rate of economic growth, government regulation, political stability, import restrictions, population growth, urbanization, socio-cultural values	Urbanization, culture	Number, size, and types of stores available, market infrastructure	None
Iftexhar Khan and Banerji	2014	Rate of economic growth, government regulation, population growth, economic reforms, inflation control	Urbanization, culture	Market infrastructure	None
Welsh, Alon, and Falbe	2006	Rate of economic growth, government regulation, political stability, import restrictions, market governance, ownership restrictions	Urbanization, affluence, language, lifestyle, culture	Market infrastructure, social and living context, media context (availability, cost)	None
Batra and Niehm	2009	Rate of economic growth, government regulation, political stability, market governance, import restrictions, population growth, socio-cultural values, urbanization	Urbanization, culture, language	Market infrastructure, number, size, and types of stores available, nature of housing and family living arrangements, media context (availability, cost)	None
Mukherjee, Satija, Goyal, Mantrala and Zou	2012	Rate of economic growth, government regulation, political stability, population growth, market potential	Urbanization, culture	Market infrastructure, number, size, and types of stores available, social and living context	At-home vs. out-of-home, work vs. leisure
Bertoldi, Giachino and Marenco	2012	Rate of economic growth, government regulation, political stability, population growth, market potential	Urbanization, culture	Market infrastructure, number, size, and types of stores available, social and living context	None
Landau, Karna, and Sailer	2016	Rate of economic growth, government regulation, population growth	Institutional factors, market heterogeneity	Market infrastructure, value proposition, value creation and delivery	Tariff changes, local production requirements
Padhi	2024	Rate of economic growth, government regulation, trade policies, income distribution/inequality	Institutional quality, ease of doing business, market heterogeneity, urbanization	Infrastructure quality, credit access, market potential, specialized employment, human capital	None
Guercini and Runfola	2019	Rate of economic growth, government regulation, population growth, income distribution/inequality	Urbanization, institutional factors, market heterogeneity	Market infrastructure, supply chain development, distribution networks	None
Johnson and Tellis	2008	Rate of economic growth, government	None	None	None

		regulation, political stability, country risk, country openness, economic distance, cultural distance			
Tasavori, Ghauri and Zaefarian	2016	Rate of economic growth, government regulation, population growth	Institutional factors, market heterogeneity	Market infrastructure, product adaptation, distribution channels	Festival days, local partnerships, rural market dynamics
Ulrich, Hollensen and Boyd	2014	Rate of economic growth, government regulation, political stability, population growth, economic freedom, corruption	Urbanization, culture	Market infrastructure	None
Agostino M. and Trivieri F.	2016	Rate of economic growth, trade policies, population growth	Institutional factors, market heterogeneity	Product differentiation, branding, market infrastructure	None
Lu, Karpova and Fiore	2009	Rate of economic growth, government regulation, political stability, country risk, cultural distance, market potential, market competition	None	None	None
Guruswamy, Sharma, Mohanty and Korah	2005	Rate of economic growth, government expenditures as a percent of GDP, product regulation and enforcement, population growth, degree of urbanization	Urbanization, ethnic groupings	Number, size, and types of stores available, nature of housing and family living arrangements	None
Alam Iqbal, Hassan and Rawat	2012	Rate of economic growth, population growth, government regulation, political stability, market potential, per capita income, education level	Urbanization, cultural influences	Market infrastructure, social and living context, media context	None
Thangadurai and Pallavi	2020	Rate of economic growth, government regulation, trade policies	Institutional factors, market heterogeneity	Infrastructure quality, technology transfer, employment generation	None
Nath	2013	Rate of economic growth, government regulation, political stability, import restrictions, population growth	Urbanization, culture	Market infrastructure, number, size, and types of stores available	None
Bhat, Ikram and Rahman	2023	Rate of economic growth, government regulation, trade policies, political stability, legal framework, income distribution/inequality	Institutional quality, ease of doing business, market heterogeneity, corruption control, urbanization	Infrastructure quality, credit access, contract enforcement, market potential, technology transfer, social and living context	None
Nandi and Sahu	2007	Rate of economic growth, government regulation, political	Urbanization, affluence, culture	Market infrastructure, social and living context,	None

		stability, import restrictions, market governance, ownership restrictions		media context (availability, cost)	
Chari and Madhav Raghavan	2012	Rate of economic growth, government regulation, political stability, import restrictions, population growth	Urbanization, culture	Market infrastructure, number, size, and types of stores available	None
Coe and Wrigley	2007	Rate of economic growth, government regulation, political stability, import restrictions, market governance, ownership restrictions, controls of capital flows,	Urbanization, affluence, ethnic groupings, culture, lifestyle, language	Market infrastructure, social and living context, media context (availability, cost)	None
Contractor, Nuruzzaman, Dangol and Raghunath	2021	Rate of economic growth, Government regulation, Trade policies, Political stability, Legal framework	Institutional quality, ease of doing business, market heterogeneity, corruption control	Infrastructure quality, credit access, contract enforcement, market potential, technology transfer	None
Guercini and Runfola	2015	Rate of economic growth, population growth	Urbanization, cultural norms	Market infrastructure, brand perception, consumer behavior	None
Patibandla	2014	Rate of economic growth, government regulation, population growth, economic reforms	Urbanization, culture	Market infrastructure, supply chain development, cost reduction	None
Paul and Jadhav	2019	Rate of economic growth, government regulation, trade policies	Institutional quality, market heterogeneity	Infrastructure quality, trade cost, corruption control	None
Ragland, Brouthers and Widmier	2014	Economic regulation, formal education	Cultural norms, social norms	Market attractiveness, market potential, market penetration	None
S. Billore and G. Billore	2018	Rate of economic growth, government regulation	Institutional factors, market heterogeneity	Customer knowledge, networking, cultural knowledge	None
Elg, Ghauri, and Schaumann	2014	Rate of economic growth, political stability, government regulation, population growth	Cultural norms, social norms, urbanization	Market infrastructure, supply chain development, market attractiveness, market potential	None
Loehde, Calabrò, Torchia and Kraus	2020	Rate of economic growth, government regulation	Institutional factors, market heterogeneity	Entry mode strategies, partner selection, control mechanisms	Cultural unfamiliarity, legal restrictions
Enderwick	2008	Rate of economic growth, government regulation, political stability, market governance, import restrictions, economic distance, cultural distance	Urbanization, affluence, ethnic groupings, culture, lifestyle, language	Market infrastructure, social and living context, media context (availability, cost)	None

Rao and Murthy	2011	Rate of economic growth, government regulation, political stability, population growth, Market governance, infrastructure, quality of human capital, sectoral composition	Urbanization, industrial clusters	Market infrastructure	None
Dua and Garg	2015	Rate of economic growth, government regulation, population growth, exchange rates, creditworthiness, trade openness, domestic returns, macroeconomic stability	Infrastructure	None	None
Bortoluzzi, Chiarvesio and Tabacco	2015	Rate of economic growth, government regulation	Urbanization, institutional factors, market heterogeneity	Market infrastructure, supply chain development, distribution networks	None
Mukherjee	2014	Rate of economic growth, government regulation, population growth	Urbanization, cultural diversity	Market infrastructure, brand perception, quality perception	None
Holtbrügge and Baron	2013	Rate of economic growth, government regulation, political stability, population growth, economic freedom, corruption	Institutional environment	Market infrastructure	None
Halepete and Iyer	2008	Rate of economic growth, government regulation, political stability, population growth, socio-cultural values, urbanization	Urbanization, affluence, culture, language	Number, size, and types of stores available, nature of housing and family living arrangements, market infrastructure, media context (availability, cost)	None
Esser and Jernigan	2015	Rate of economic growth, government regulation, population growth, socio-economic factors	Social norms, cultural acceptance, market heterogeneity	Market infrastructure, distribution networks, marketing strategies	None
Peddi	2014	Rate of economic growth, government regulation, population growth, political stability	Urbanization, cultural norms, social norms	Market infrastructure, supply chain development, employment practices, market attractiveness	None
Pant, and Ramachandran	2017	Rate of economic growth, government regulation	Institutional factors, market heterogeneity	Organizational identity, leadership strategies	None
Pederzoli and Kuppelwieser	2015	Rate of economic growth, government regulation, global financial crisis	Market dynamics, Institutional factors	Market entry modes, Strategic readjustments, Competitive behavior	Economic shock, Crisis response strategies
Bennett and Yin	2019	Rate of Economic growth, Government regulation, trade policies	Institutional quality, market heterogeneity	Drug quality, pricing strategies, supply chain management	None
Johansson and Leigh	2011	Rate of economic growth, government regulation, political	None	Market infrastructure, number, size and types of stores available	None

		stability, import restrictions, population growth, market potential, market competition			
Halepete, Iyer and Park	2008	Rate of economic growth, government regulation, political stability, market governance, import restrictions, population growth, socio-cultural values, urbanization	Urbanization, culture, language	Market infrastructure, number, size and types of stores available, nature of housing and family living arrangements, media context (availability, cost)	None
Ancarani, Frels Miller, Saibene and Barberio	2014	Rate of economic growth, government regulation, population growth	Urbanization, cultural norms, social norms	Market infrastructure, supply chain development, employment practices, market attractiveness	None

Sources are included in the table