

GLOBAL BUSINESS: EXPANSION INTO ROMANIA

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GLOBAL BUSINESS ENVIROMENT

The image shows the Marks & Spencer logo on a dark, curved building facade. The logo consists of the words 'MARKS & SPENCER' in a large, white, sans-serif font. The ampersand is highlighted in a bright yellow-green color. The building's architecture features a dark, possibly metallic or stone, surface with a curved edge. A white diagonal line runs across the left side of the image, separating the title text from the background image.

MARKS &
SPENCER

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INTRODUCTION TO DEVELOPING COUNTRY

- Romania, a developing country in southeast Europe with approximately 19 million inhabitants, is growing economically.
- Romania's strategic location, low labour costs, and business-friendly environment have made it a popular investment destination.
- This presentation will discuss Romania's unique business environment and how to succeed in it.



PORTERS FIVE FORCES

Competitive Rivalry

Moderate to High levels of competitive rivalry

Numerous foreign retailers are present in the market

Domestic merchants are a fierce competitor as well.

Threat of new Entrants:

Threat of new Entrants

Moderate

For foreign investment, Romania offers a comparatively open and appealing market.

However, because of the challenging regulatory environment, there are substantial entrance barriers.

Bargaining power supplier

Moderate

Numerous vendors across a variety of industries
Due to competition, suppliers' bargaining power is limited.

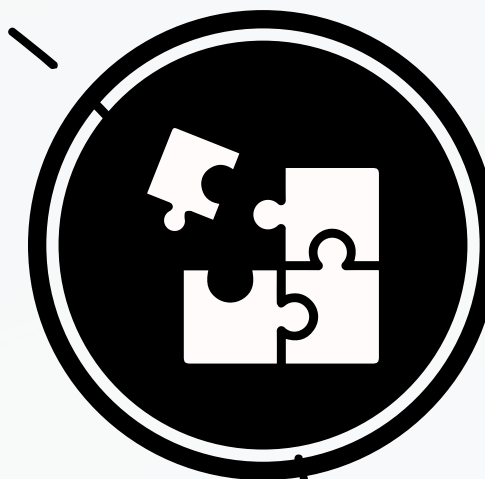
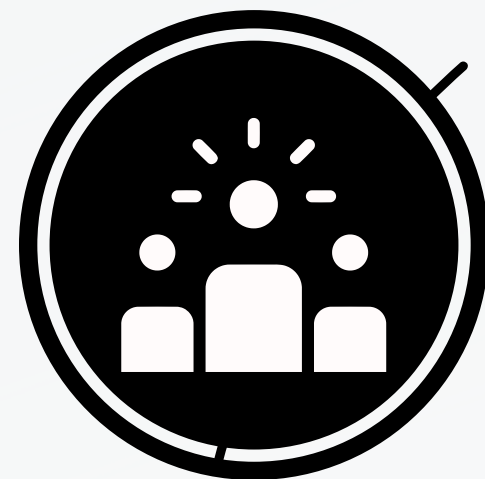
Bargaining power Buyers

High There are many options available to consumers, and they can quickly switch to competitors.

increased price sensitivity and demand for high-quality goods

Threat of substitutes

Threat of substitute: Consumers are highly susceptible to switching to alternative products. expanding e-commerce and online shopping trends





PESTLE ANALYSIS

Poliitical factors

Stable with a few difficulties in the political sphere
Democratised administration and a stable political climate
For overseas enterprises, bureaucracy and corruption can be a hurdle.

Economic factors

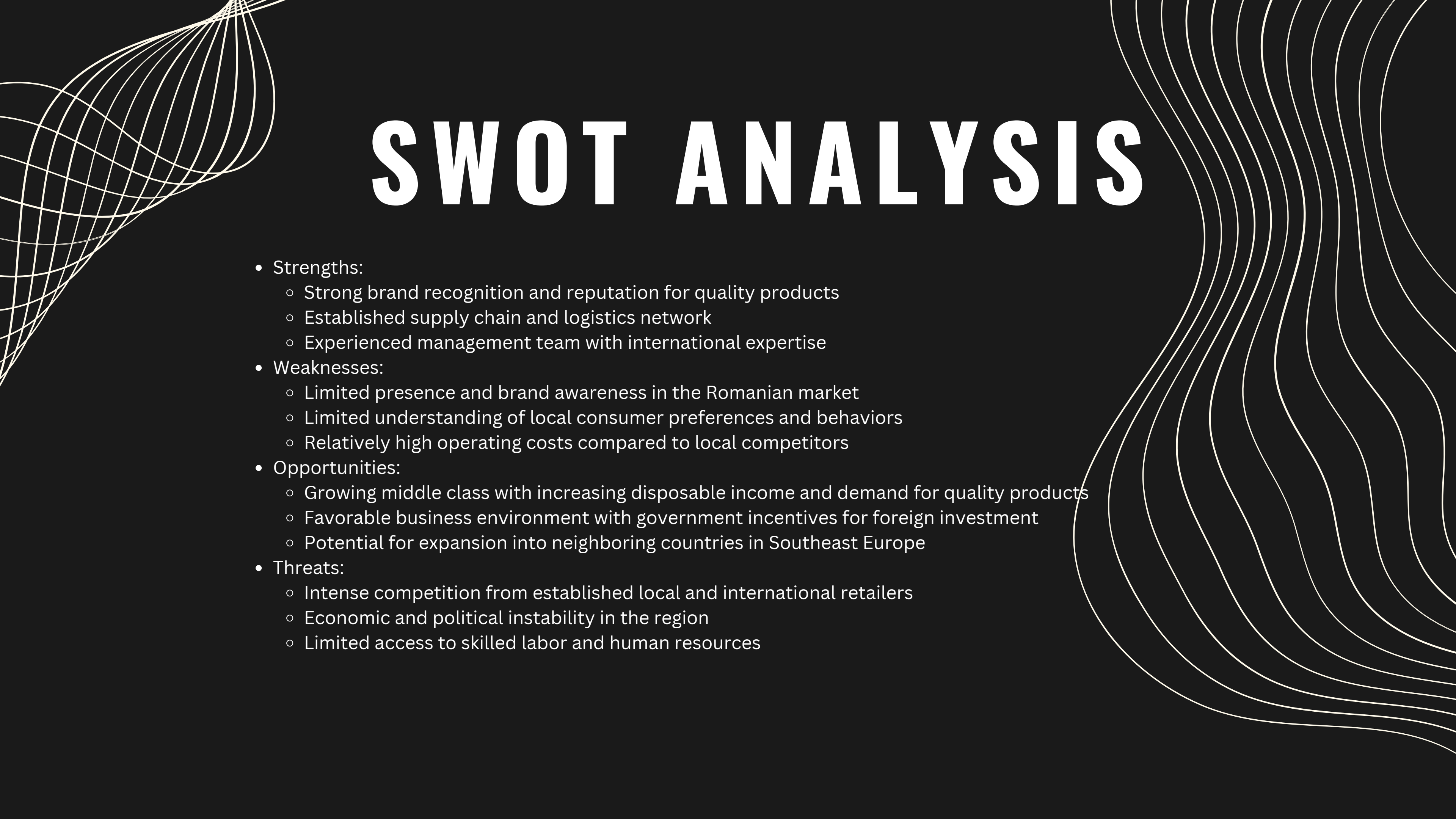
Expanding yet Uneven
economy that is expanding with an emphasis on innovation and
development
Inequality in wealth distribution and income

Social Factors

Diverse and Dyanmic
numerous ethnic groupings and a rich cultural heritage
Changing social norms and demography

Technological Factors

Rapid Development
a rapidly evolving technology sector with significant room for innovation
Some locations have limited access to technology



SWOT ANALYSIS

- Strengths:
 - Strong brand recognition and reputation for quality products
 - Established supply chain and logistics network
 - Experienced management team with international expertise
- Weaknesses:
 - Limited presence and brand awareness in the Romanian market
 - Limited understanding of local consumer preferences and behaviors
 - Relatively high operating costs compared to local competitors
- Opportunities:
 - Growing middle class with increasing disposable income and demand for quality products
 - Favorable business environment with government incentives for foreign investment
 - Potential for expansion into neighboring countries in Southeast Europe
- Threats:
 - Intense competition from established local and international retailers
 - Economic and political instability in the region
 - Limited access to skilled labor and human resources

VALUE CHAIN ANALYSIS

Primary Activities

Purchasing and delivering raw materials to production plants is known as inbound logistics.

Manufacturing and product processing are operations.

Distribution and delivery of finished goods to retail outlets is known as outbound logistics.

Promoting and selling things to customers is known as marketing and sales.

Customer service and post-purchase assistance are provided.

Support Activities :

Buying the supplies and services required for production is known as procurement.

Technology Development: The study and creation of novel goods and techniques

Recruitment, training, and retention of qualified personnel: human resource management

Infrastructure includes the upkeep of equipment and facilities as well as the administration of information systems.

OPPOURTUNITES

Opportunities:

expanding industry and sizable consumer base

Ideally situated at the intersection of several important trade routes

natural resources in abundance and a trained labour force

government subsidies, including tax rebates and grants, for international investors

favourable business climate with little corruption and red tape

CHALLENGES

restricted networks of infrastructure and transportation,
especially outside of big cities

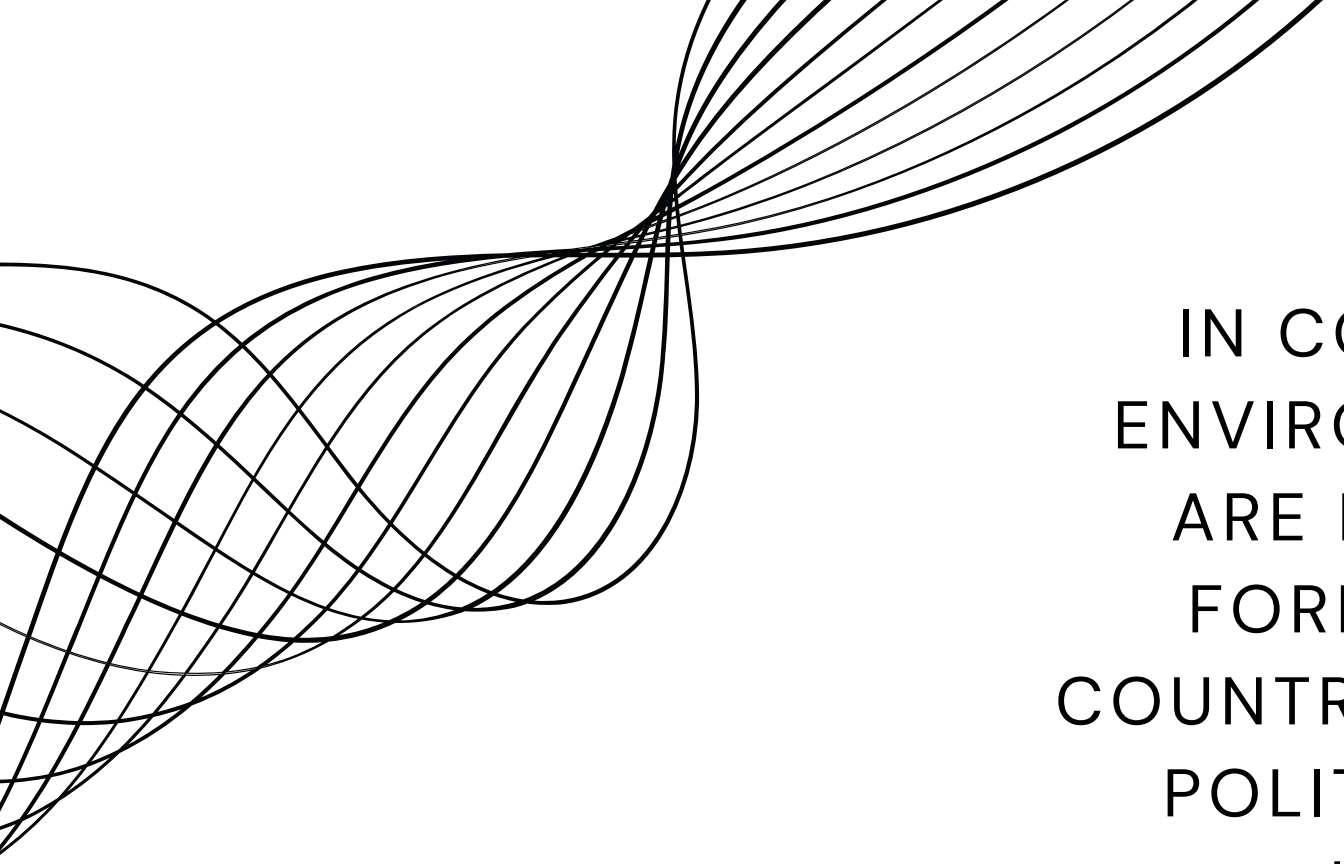
relative to other Eastern European nations, high labour
expenses

A challenging legal and regulatory environment that is
constantly changing for international firms

Communication and commercial connections may be
hampered by linguistic and cultural hurdles.

Businesses may be at risk from ongoing corruption and
organised criminal issues.





CONCLUSION

IN CONCLUSION, THE ANALYSIS OF THE BUSINESS ENVIRONMENT IN ROMANIA HAS SHOWN THAT THERE ARE BOTH OPPORTUNITIES AND CHALLENGES FOR FOREIGN BUSINESSES SEEKING TO INVEST IN THE COUNTRY. THE PESTLE ANALYSIS HAS HIGHLIGHTED THE POLITICAL STABILITY, ECONOMIC GROWTH, AND A LARGE DOMESTIC MARKET AS POTENTIAL OPPORTUNITIES, WHILE THE SWOT ANALYSIS HAS SHOWN THAT THE STRENGTHS OF MARKS AND SPENCER'S BRAND AND QUALITY PRODUCTS COULD PROVIDE A COMPETITIVE ADVANTAGE. HOWEVER, THERE ARE ALSO CHALLENGES SUCH AS CORRUPTION, A COMPLEX REGULATORY ENVIRONMENT, AND A LACK OF SKILLED LABOR.

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