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Introduction

This report is a strategic report of the intended internationalisation of Bidco Africa

into the Indian market. Bidco as a large East and Central African producer of consumer goods aims at exploiting India potential fast-moving consumer goods (FMCGs) in the Indian market. This report uses the main international business frameworks to make strategic decisions. Through the Integration Responsiveness Framework (Prahalad & Dos, 1987), it determines the best action to pursue to achieve global efficiency and local responsiveness in a culturally different and price-sensitive market. It also analyses the time and size of entry in terms of internal strength and readiness of the external market. The different entry modes are evaluated to advise on an appropriate market entry mode bearing in mind a balance of the control-risk-speed. Lastly, using the Institutional Theory the report critically analyses whether Bidco ought to de-internationalise in the nonperforming and institutionally weak markets like South Sudan and the Democratic Republic of Congo.

Task 1: Integration–Responsiveness (IR) Framework

One of the well-understood frameworks that guide organisations to find the right international strategies after considering two major pressures is the Integration Responsiveness (IR) Framework advanced by Prahalad and Dos (1987) (Chung & Sparrow, 2024).

1. Global integration pressure – the necessity to standardise all the operations in order to gain economies of scale and cost efficiency.
2. Local responsiveness pressure, the need to become accommodating to host country preferences, cultures, regulations and market structures.

On the move by Bidco Africa to enter India, the framework can be seen to offer a good window into the kind of strategic needs that such a fragmented and tricky market has.

According to Pradeshiya & Prajapati, (2024) India has powerful pressures of local responsiveness due to several reasons. It is highly diverse culturally with a variety of languages, religions, and regional behaviours regarding consumer goods. Local tastes,

dietary habits (such as a high demand for vegetarian-friendly oils), and preferences for traditional cooking methods vary significantly across regions. Moreover, Indian consumers display strong regional brand loyalty, particularly in the FMCG sector, which demands significant product and marketing customisation.

Simultaneously, moderate pressures for global integration also exist. The Indian market is a price-sensitive market and cost leadership and operational efficiency are relevant imperatives in being competitive in this market. Standardised products are popular among large supermarket chains and various national retailers that find it easier

to distribute and price them. Besides, Bidco Africa will not be able to escape the direct competition with world and local juggernauts like Unilever and Patanjali that have economies of scale and efficient supply chains (Duttagupta, 2024).

Based on this duality, Transnational Strategy located at the top-right quadrant of the IR matrix becomes the most appropriate strategy. This strategy allows the achievement of both the global integration and local responsiveness by the firms. In the case of Bidco

Africa, this would entail exploiting its currently existing cost advantages by retaining centralised production bases in East Africa as a way of ensuring that the costs of manufacturing are curbed but also to ensure that its products and marketing campaigns

are tailored to the diverse expectations that consumers in India hold.

To implement this strategy, Bidco will be advised to ensure that it creates partnerships in the area or joint ventures to obtain the market access and the cultural fit, as well as the

regulatory understandings. Regional differentiation of product offerings might be needed

like groundnut oil in South India and mustard oil in North India and packaging size and branding. Besides, adoption of the e-commerce platforms like Amazon India or Big Basket

also provides a possibility to establish a pan-Indian brand presence and have a

distribution in several different states (Pal et al., 2023). Therefore, it had to perform well in the Indian market which enabled it to trade off the global scale with the local responsiveness requirement.

Task 2: Factors Affecting Timing and Scale of Entry

Bidco Africa entry into the Indian market will be determined by how effectively it plans its move by considering the right time and the extent to which they enter the business. An early or even aggressive entry might overstrain the resources of the company whereas a late or limited entry may make the company miss its opportunities in

an FMCG industry with vast competition

Timing Factors

1. Market Readiness in India

India will offer an opportunity to FMCG companies. There is also increased demand for low-cost basic consumer products in the market and it is particularly so when it comes to low-income and middle-income customers (IBEF, 2023). Besides, India has good trade relations with Africa that may contribute to easier import-export activities. Moreover, its demographic dividend, amounting to having a big and expanding youthful population, augurs well with the long-term consumption patterns and sets a good context for the development of the brands.

2. Internal Readiness of Bidco Africa

Bidco has ready grounds to expand internationally. It has a strong and established supply chain which operates in 17 countries in Africa. The skills and potential of dealing with issues like political and economic complexities within the company relate to its success in the difficult markets like Uganda and Ethiopia (UNCTAD, 2023). Besides, Bidco is both financially and managerially able to expand operations and invest in alliances as well as operate in response to the emerging regulatory environment.

3. Competitive Timing Considerations

Dhall et al., (2024) emphasised that there is a high presence of major multinationals in the urban markets in India; the Tier-2 and Tier-3 cities are relatively underpenetrated. These areas provide an opportunity for early movers to develop brand loyalty and distribution channels before the market is saturated. This entry will help Bidco to enjoy first-mover advantage in regions where demand is increasing for cheap and locally appropriate products.

Recommended Timing: In 12-18 months, after conducting a thorough analysis of the market and identifying local partners to ensure the right time to seize the existing momentum, without implementing a quick pro

Scale Factors

1. Gradual vs Aggressive Expansion

Amungo, (2020) indicated that the aggressive rollout might put Bidco into serious operational risk and financial strain, mostly in such a diverse and new market. Rather, it can be expanded slowly, which would allow the company to study the reaction of consumers and modify the offerings according to feedback and form connections with local distributors. This is highly applicable in the quest toward regional difference meaning the preference of the consumer in Gujarat and in Tamil Nadu.

2. Entry Region Selection

The first target area in the market should be the location where there is a cultural and economic match with the Bidco line of products (Amungo, 2020).

Strategic starting points are in states that have already shown demand for palm and vegetable oils, such as Kerala and Maharashtra. The areas also have well-established logistic support facilities that facilitate the incorporation of the supply chain.

3. Risk and Resource Assessment

A good legal system and relative political stability in India decrease the market risk. Roux, (2021) suggested that Greenfield investment can, however, be

intensive with capital. Opting for a joint venture model allows for local adaptation while sharing risks and costs with a domestic partner.

Recommendation: Adopt a phased entry strategy launch a pilot operation in one high potential region, refine the approach based on market insights, and gradually expand across other states.

Task 3: Joint Venture – The Optimal Mode of Entry for Bidco Africa in India

Bidco Africa's strategic ambition to enter the Indian market demands a carefully selected mode of entry that aligns with its internal capabilities, the market conditions in India, and the findings of strategic analysis. Based on the Integration–Responsiveness (IR) framework discussed in Task 1 and the entry timing and scale considerations explored in Task 2, the most suitable mode of entry for Bidco Africa is a Joint Venture (JV)

with an established Indian firm

India is a market characterised by both high pressure for local responsiveness and moderate pressure for global integration. Bidco's objective, therefore, is to adopt a transnational strategy—achieving cost efficiencies while adapting to local preferences. A

joint venture directly supports this approach by combining Bidco's production expertise with a partner's local market knowledge and infrastructure. Moreover, given the recommendation for a phased, regionally targeted entry within 12–18 months, a JV facilitates flexible scaling without requiring full upfront investment or control.

Why a Joint Venture Aligns with the IR Strategy

As established in Task 1, Bidco should pursue a transnational strategy, balancing global efficiencies with local responsiveness. The Indian market, due to its linguistic, cultural, and culinary diversity, does not permit a one-size-fits-all approach. For example,

edible oil preferences vary significantly by region—groundnut oil in Gujarat, mustard oil in the north, and coconut oil in the south. Simultaneously, India's price-sensitive consumers require competitive pricing, which demands cost-effective sourcing and

operations.

A joint venture allows Bidco to:

- Maintain global integration by leveraging its production and formulation strengths from East Africa,
- Achieve local responsiveness through a partner who understands Indian regulatory frameworks, cultural norms, and retail networks.

This dual benefit makes the JV an operational embodiment of the transnational strategy recommended in Task 1.

Why a Joint Venture Supports the Phased Entry Plan

Task 2 emphasised a phased and regionally selective entry strategy, starting in culturally

aligned, high-demand states like Kerala or Maharashtra. Such an approach minimises risk, spreads out investment over time, and allows for learning and adaptation.

A joint venture supports this phased entry by:

- Allowing limited initial capital commitment, with the partner contributing infrastructure or distribution networks,
- Providing real-time market feedback to guide expansion,
- Enabling scaling operations region-by-region, without overextending Bidco's internal management resources.

For example, Bidco could begin with a joint product rollout in South India through an existing FMCG distributor. Based on performance data and consumer feedback, the JV could then expand into western or northern states.

Strategic Benefits of a Joint Venture in the Indian FMCG Sector

Local Market Knowledge

Indian consumer markets are notoriously complex. Regional preferences, languages, and

purchasing behaviour vary drastically. A local partner will bring expertise in:

- Consumer habits and segmentation,

- Marketing approaches suited to local tastes,
- Insights on regional competitors and pricing strategies.

This local intelligence is essential for positioning Bidco's products effectively.

Established Distribution and Retail Relationships

India has a fragmented retail market, with over 10 million small grocery stores (Kirana shops) accounting for a significant portion of FMCG sales. Entering this market independently would take years. A JV partner with existing distribution networks allows Bidco immediate access to:

- Retailers and wholesalers across selected states,
- Fast-moving consumer channels like Big Bazaar or D-Mart,
- Online platforms such as Flipkart and Amazon India.

Regulatory Navigation

The Indian FMCG sector is governed by food safety laws, packaging requirements, import duties and state-specific trade laws. Missteps can delay operations or damage reputation. A JV partner familiar with these regulatory complexities will ease compliance,

accelerate product registration and reduce legal risk.

Shared Investment and Risk

India offers long-term growth, but short-term costs marketing, logistics, legal setup can be high. A joint venture shares this financial burden, limiting Bidco's exposure. This is particularly important as the company gradually exits high-risk markets (as recommended in Task 4) and reallocates resources.

Key Criteria for JV Partner Selection

For maximum strategic alignment, Bidco should target a partner with:

- Strong FMCG experience, particularly in edible oils or hygiene products,
- Distribution reach in at least five Indian states,
- An ethical reputation, including fair labour practices and regulatory compliance,
- Manufacturing capabilities that can either co-pack Bidco's goods or produce under

license,

- Willingness to engage in joint marketing, branding, and innovation.

Example: Mid-sized companies like Marico's regional partners or Parakh Agro might provide the operational strength and market insight Bidco needs.

Proposed Phased JV Strategy

Phase 1: JV Formation and Pilot Launch

Identify a JV partner, co-create 2–3 products tailored to local demand (e.g., affordable vegetable oil blends), and pilot them in South India. Evaluate market response, distribution efficiency, and partnership dynamics.

Phase 2: Regional Scale-Up

Upon successful pilot, expand SKUs and enter 3–4 additional states with high urbanisation and FMCG demand (e.g., Gujarat, Maharashtra, Telangana).

Phase 3: Strategic Review

After 3–5 years, assess performance. If successful, Bidco may increase ownership stake, convert to a wholly owned subsidiary, or expand into adjacent markets (e.g., Bangladesh or Sri Lanka).

Drawing from the Integration Responsiveness Framework and market entry considerations the Joint Venture emerges as the most strategically sound mode of entry for Bidco Africa into India. It supports a transnational approach, enabling Bidco to benefit

from global efficiencies while responding effectively to local market dynamics.

Additionally, it allows for a phased, cost-efficient, and lower-risk expansion, perfectly aligned with Bidco's operational strengths and growth objectives. With the right partner and execution, the joint venture will serve as a launchpad for long-term, scalable success

in one of the world's most promising consumer markets.

Task 4: De-internationalisation Analysis Using Institutional Theory

Institutional Theory, as proposed by Scott (2008), provides a structured framework

to assess the external institutional pressures that influence firm behaviour in international

markets. These pressures are classified into three dimensions:

- Regulative pressures: laws, government policies, and enforcement mechanisms.
- Normative pressures: social norms, cultural expectations, and values.
- Cognitive pressures: widely held beliefs, mental models, and assumptions that define legitimacy.

Applying this framework to Bidco Africa's continued presence in South Sudan and the Democratic Republic of Congo (DRC) reveals compelling reasons to consider DE internationalisation a strategic withdrawal from markets that pose persistent operational,

reputational, and financial risks (Liedman et al., 2022).

South Sudan: Institutional Barriers to Sustainable Operation

Regulative pressures in South Sudan are dominated by political instability, weak enforcement of commercial law, and poor infrastructure. The lack of legal and regulatory

predictability makes long-term investment risky. From a normative perspective, the consumer base is still emerging, with limited familiarity or trust in packaged consumer goods (Carfora et al., 2021). The population's purchasing power remains low, and the retail environment is underdeveloped, limiting product reach. On the cognitive dimension,

South Sudan is widely perceived as a high-risk, volatile market. This perception affects not only Bidco's potential customer base but also its partners, investors, and even internal

stakeholders. Continued presence in such a market may undermine the company's image

as a stable and reliable regional player.

Democratic Republic of Congo (DRC): Deep-rooted Institutional Weakness

The regulative environment in the DRC is hindered by bureaucratic inefficiencies, corruption, and inconsistent enforcement of trade laws. These issues create significant

compliance burdens and delays. Normative pressures are equally challenging, particularly due to infrastructure gaps and the rural nature of much of the country.

Logistical difficulties make nationwide distribution unviable, and consumer preferences

are highly fragmented and under-researched. Cognitively, the DRC is considered a high-risk investment zone, and foreign firms often struggle to establish long-term legitimacy (Mathebula & Sangallo, 2023). Investors and supply chain partners may view operations here as unsustainable, further straining Bidco's regional efforts.

Strategic Risks of Maintaining Presence

Remaining active in these markets exposes Bidco Africa to multiple risks:

- Liaodong et al., (2019) pointed out that brand reputation damage due to association with politically unstable or ethically questionable environments.
- Operational losses caused by supply chain disruptions and volatile currency exchanges.
- Misallocation of managerial attention and financial resources that could otherwise be used in high-growth, institutionally stable markets.

Strategic Benefits of De-internationalisation

Exiting these underperforming markets would allow Bidco to:

- Reallocate resources towards expansion opportunities like India, where market fundamentals are stronger (Kumar & Srivastava, 2019).
- Strengthen brand integrity by avoiding association with unstable regions.
- Enhance strategic focus by concentrating efforts on scalable, compliant, and consumer-responsive environments.

Recommendation

It is advisable for Bidco Africa to gradually de-internationalise from South Sudan and the DRC through a phased withdrawal approach:

- Pause new investments and operational expansion.
- Fulfil existing contractual obligations to maintain reputational integrity (Nayak &

Chandiramani, 2022).

- Begin restructuring or divestment of assets while retaining monitoring capacity for future re-entry if institutional conditions improve.

Thus, aligning with Institutional Theory, Bidco's long-term competitiveness is better served by concentrating on markets with stronger institutional environments and clearer pathways to sustainable growth.

Conclusion

This report evaluated Bidco Africa's internationalisation strategy with a focus on its proposed expansion into the Indian market. Applying the Integration Responsiveness Framework, it was concluded that India's unique market conditions characterised by both

high local responsiveness and moderate global integration pressures warrant a transnational strategy. A joint venture entry mode was recommended to balance risk, market access, and brand control. Timing-wise, a phased approach within the next 12 to

18 months will allow Bidco to adapt and scale effectively based on initial performance and

consumer response. In contrast, the application of Institutional Theory revealed that continued operations in South Sudan and the Democratic Republic of Congo expose Bidco to considerable institutional and reputational risks. Therefore, a gradual DE internationalisation from these regions is advised, allowing the company to reallocate resources to more promising and stable markets. Overall, with strategic alignment and the right partnerships, Bidco Africa is well-positioned for sustainable global growth.

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