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Introduction

The modern international business environment can be described as VUCA (volatility, uncertainty, complexity and ambiguity) due to globalisation, rapid technological innovation, geopolitical instability and changing expectations of consumers. In such conditions strategic management is no longer concerned just with long-term planning but with developing strategic agility and adaptive capabilities that enable organisations to be competitive at border levels (Akter, 2018).



BRITISH AMERICAN TOBACCO

This report outlines a comprehensive organisational expansion plan for **British American Tobacco (BAT) with the expansion into Nigeria** through the accelerated development of Reduced-Risk Products (RRPs). The analysis critically applies established and contemporary strategic management frameworks to assess the internal and external environments, create a coherent international market entry strategy, and design a robust performance evaluation framework (Singh et al., 2025).

The report demonstrates the integration of theory and practice and is aligned with the module learning outcomes, as it presents the link between environmental analysis and strategic choices and implementation considerations (Burki, 2024).

1 - Selection of Organisation and Target Market

1.1 Background of the Organisation: British American Tobacco (BAT)

British American Tobacco p.l.c. (BAT) is one of the largest multinational companies in the consumer goods market with a global presence in over 180 markets and a diversified portfolio of products ranging from traditional combustible cigarettes to an increasing range of New Category products, including vapour (VUSE), heated tobacco (GLO) and modern oral nicotine products (Velo). Headquartered in London and trading on the London Stock Exchange, BAT has traditionally enjoyed strong cash flows from its combustible tobacco brands while pursuing a strategic transformation towards a "smokeless world" (Nguenha et al., 2024).

BAT's corporate strategy focuses on harm reduction, innovation and sustainability and is expressed through their purpose of building A Better Tomorrow™. The company has publicly pledged to raise the share of revenues from non-combustible products by 2035, in response to intensifying regulatory pressures and shifting consumer preferences. BAT's wide international footprint, high brand equity, advanced research and development ability and experience of operating in highly regulated environments make it a suitable organisation for further international expansion initiatives (Owolabi et al., 2025).

2.2 Rationale for Choosing British American Tobacco

BAT is an interesting example that can be used as a case study for strategic management analysis for several reasons. First, the company is in a highly regulated and socially contested industry in which strategic decision-making is strongly shaped by political, legal and societal forces (Wanza, 2023). This makes BAT particularly relevant for the analysis of interaction between the external environmental factors and internal strategic capabilities. Second, BAT's continued strategic transformation from combustible products to reduced-risk alternatives is a modern strategic challenge focused on innovation, portfolio transformation and long-term value creation (Owolabi et al., 2025).

1.3 Selection of Target Market: Nigeria

This expansion plan has proposed Nigeria as the target market for BAT's accelerated expansion of Reduced-Risk Products (RRPs), specifically vapor and modern oral nicotine products. Nigeria is Africa's most populous country, with a population of over 220 million, an increasingly urban population and a growing consumer base in its main metropolitan cities such as Lagos and Abuja. Although BAT is already active in Nigeria through its combustible tobacco business, the market is underdeveloped in alternative nicotine categories and an opportunity for strategic growth and diversification (Owolabi et al., 2025).



Figure 1 Selection of Target Market: Nigeria (Nyatsanza et al., 2025)

1.4 Justification of Market Selection

From The macroeconomic environment of Nigeria presents attractive long-term consumption opportunities, due to a fast population growth, urbanisation, and access to more and more mobile and digital technologies (Wanza, 2023). Market potential is also enhanced by the increasing purchasing power of the urban consumers. Despite the structural issues that have remained, such as the lack of infrastructure, volatile exchange

rate, and high income inequality, Nigeria remains one of the most lucrative consumer markets in Sub-Saharan Africa (Jun et al., 2025).

On a regulatory side, tobacco control policies have been adopted in Nigeria in line with the Framework Convention on Tobacco Control as recommended by the World Health Organization. However, the legislative and regulatory mechanisms associated with reduced-risk and smokeless nicotine products are comparatively underdeveloped in comparison with the advanced markets (Wanza, 2023). Such a regulatory ambiguity has two strategic implications: the threat of stricter future regulation cannot be discounted but, on the one hand, acting early, BAT can act proactively on the regulatory agenda, impact the responsible regulation formation, and gain first-mover benefits (Singh et al., 2025).

This competitive gap offers BAT an opportunity to use its global brands, technological expertise and integrated supply chain to establish category leadership. Importantly, the proposed expansion is closely aligned with BAT's corporate transformation strategy in order to mitigate risk around declining cigarette volumes and to reinforce its long-term strategic objective to transition to non-combustible products (Owolabi et al., 2025).

2 - Comprehensive Strategic Analysis

A detailed strategic analysis is needed to assess the feasibility and sustainability of British American Tobacco's proposed expansion of reduced-risk products into the Nigerian market.

This section combines the macro environment, industry, and internal organisational level analysis to show how the external forces interact with BAT's resources and capabilities in making strategic choices. Established strategic frameworks are used critically, recognising both their analytical value and limitations in use and application to a dynamic and highly regulated international context (Owolabi et al., 2025).

2.1 Macro-Environmental Analysis: PESTLE Model

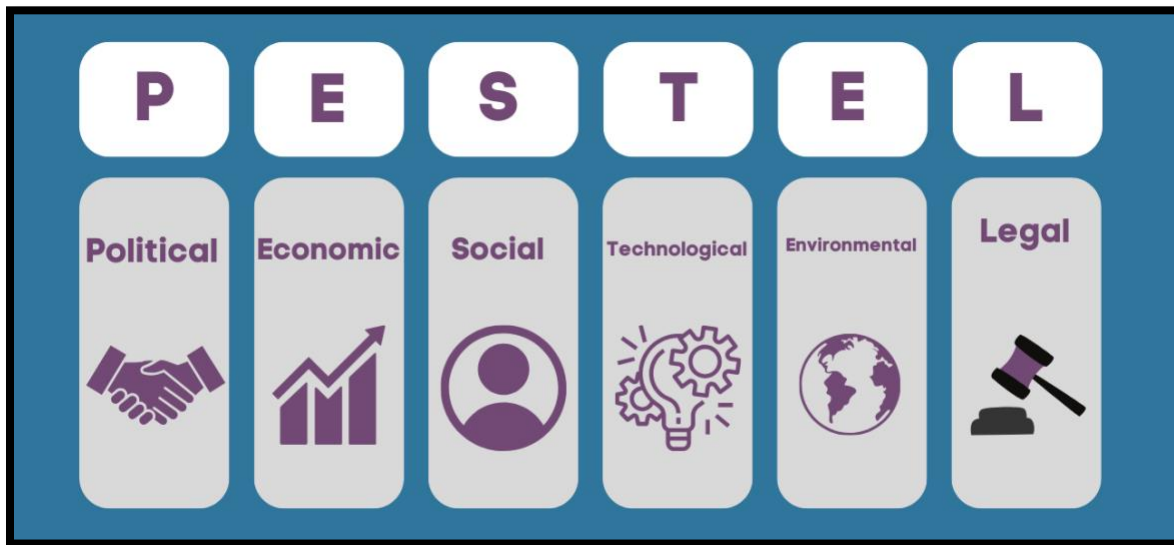


Figure 2 Macro-Environmental Analysis: PESTLE Model (Mwadime, 2020)

P - Political Factors

Nigeria operates under a federal political system that is characterised by regulatory complexity, policy inconsistency and uneven enforcement capacity across states. While the government is a signatory to the World Health Organization's Framework Convention on Tobacco Control, implementation is fragmented, especially as regards emerging categories of nicotine (vapor and modern oral products). For BAT this political environment means increased regulatory risk but also strategic opportunity (Palazzo and Micozzi, 2024).

Early engagement with policymakers and public health stakeholders allows BAT to shape responsible regulatory standards and create legitimacy in the reduced-risk products segment. However, the PESTLE framework tends to have a static appreciation of political conditions, whereas the regulatory environment in Nigeria is fluid and subject to lobbying, international pressure and changing public health priorities (Jha et al., 2025).

E - Economic Factors

Economically, Nigeria is a country with a dual face of long-term growth potential and short-term volatility. As the most populous nation in Africa, Nigeria presents a huge and young consumer base backed by urbanisation and the growing digital connectivity. On the other hand, the macroeconomic instability, currency depreciation, inflation, and poor infrastructure create major challenges in the operation (Chechelska, 2022). For BAT there is a need for adaptive pricing strategies and localised supply chain solutions to deal with economic volatility and keep consumer affordability. While economic analysis does point out the attractiveness of markets, it does not sufficiently capture the magnitude of informal economic activity, which makes it more difficult to forecast demand for regulated products (Garriga Ferrer, 2020).

S - Social Factors

Social dynamics play a big role in the potential for reduced-risk products in Nigeria. The young age structure of the population implies the possibility of consumption for the future, but the cultural attitude towards smoking and the developing public health awareness limit social acceptance (Mwadime, 2020). Reduced-risk products must therefore be positioned as alternatives for existing adult smokers and not aspirational consumer goods. BAT's harm reduction narrative is consistent with this positioning; however, in Nigeria the social environment is very heterogeneous, with regional, religious and cultural differences which limit the generalisability of social trends identified through PESTLE analysis (Wang et al., 2024).

T - Technological Factors

Technological development in Nigeria has accelerated, especially in the area of mobile connectivity, digital payments and e-commerce platforms. These advancements support BAT's ability to support their digitally enabled product deployments, improve supply chain visibility and engage consumers responsibly within regulatory parameters (Birnleitner, 2019). However, technological infrastructure remains patchy across the country, limiting the nationwide scalability in the short term. While PESTLE captures the presence of

technological enablers, it fails to fully capture the pace of adoption and the disruptive potential of technological change (Wanza, 2023).

L - Legal Factors

Legal The legal aspects form one of the major limitations to the intended expansion of BAT in Nigeria. The laws on tobacco control currently put great constraints on advertising, promotional activity, and sponsorship, although the regulatory status of the reduced-risk products is ambiguous and in development (Alejo, 2022). Such regulatory ambiguity increases the level of compliance insecurity and puts BAT at risk of future limitations. Meanwhile, this ambiguity provides the early mover advantages that can be strategic and exercise responsible behaviour and participate positively in the process of developing emerging regulatory frameworks (Bosma and Sinha-Kerkhoff, 2022).

E - Environmental Factors

The environmental problem is gradually gaining importance among multinational companies which work in Nigeria, especially with references to the expectations on sustainability and waste management. In the case of BAT, the environmental aspect of the vapour products with regard to electronic waste is an issue that has both operational and reputational challenges (Alejo, 2022). The developed sustainability programmes and disclosure practices of the company provide a good platform to discuss these issues; still, the environmental regulation in Nigeria is not well-developed and is unevenly distributed (Osei-Owusu et al., 2024).

2.2 Industry Analysis: Porter's 5 Forces Model

Porter's Five Forces framework is a good framework to analyse the competitive dynamics of the RRP market in Nigeria (Ogbudinkpa, 2021). However, while the model provides useful understanding of the attractiveness of industries, its use in an emerging economy like Nigeria mandates some degree of interpretation, especially with respect to the issues of informality, regulatory volatility and macroeconomic instability (Ndzabukelwako et al., 2024).

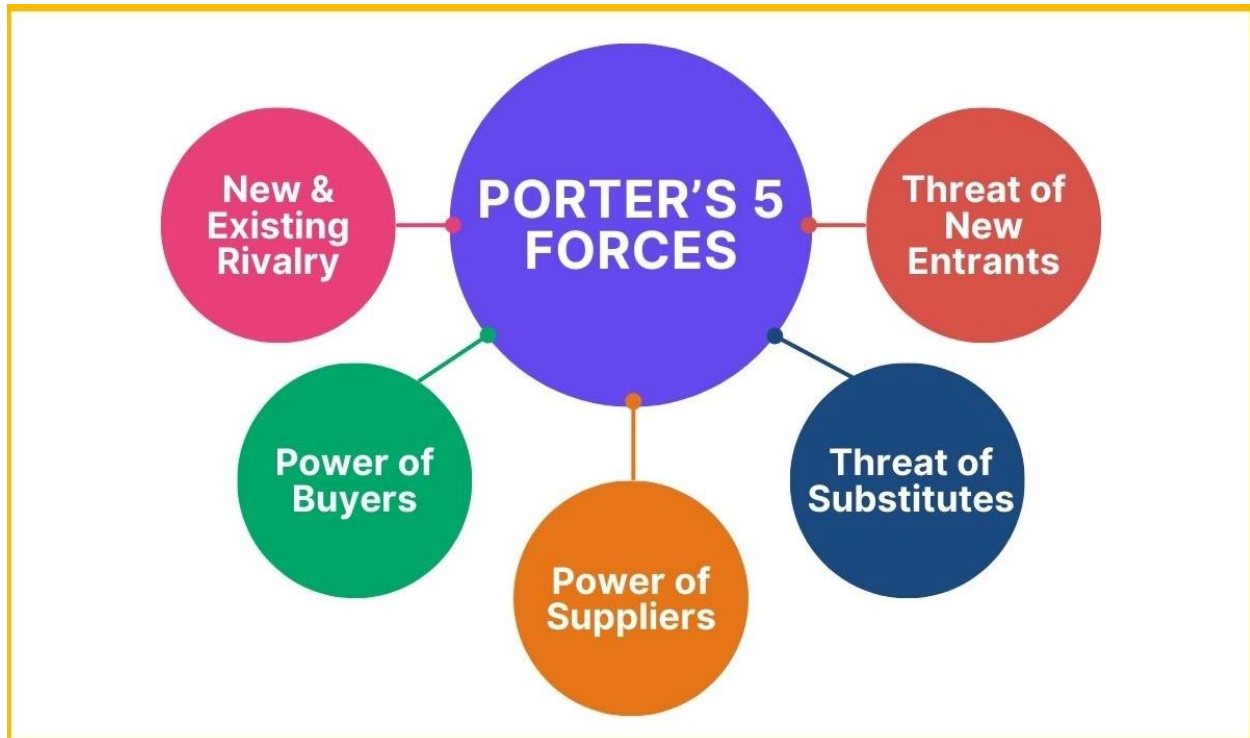


Figure 3 Industry Analysis: Porter's 5 Forces Model (Baxter, 2019)

1. Threat of New Entrants

The risk of entry to the reduced-risk products market in Nigeria is average. Barriers to entry include regulatory uncertainty and capital requirements related to technology, compliance, and distribution that are favourable to established multinational firms. Nevertheless, there is still an entry of informal and unregulated products in the market which dilutes formal competitive structures. BAT has a higher degree of resistance to entry due to its global size and regulatory competence, but informal competition is a constant problem (Selnes and Lanseng, 2024).

Suppliers' Bargaining Power

The power of suppliers is not that high, as the company has a vertically integrated global supply chain and has a diversified sourcing policy. However, the dependence on imported parts makes BAT vulnerable to the movement of foreign exchange and transportation problems. Porter's model is good at capturing supplier dynamics, yet it fails to reflect

geopolitical or currency risks that are inherent in the emerging markets (Ogbudinkpa, 2021).



Figure 4 Suppliers' Bargaining Power (Canva)

Whilst Porter's framework is sufficient to identify the concentration of suppliers and switching costs, it does not entirely cover systemic risks associated with geopolitical tensions, global supply chain shocks, or currency instability. These factors are especially important in emerging markets and serve to alter the suppliers' power temporarily in ways that are not predicted by the model (Ewins, 2025).

2. Bargaining Power of Buyers

Buyer power in the Nigeria RRP market is moderate to high. Nigerian consumers are very price-sensitive as a result of low disposable income and other general economic pressures. This limits BAT's ability to price flexibly and increases the importance of affordability, perceived value and differentiating the product (Wood et al., 2021).



Figure 5 Bargaining Power of Buyers (Canva)

3. Threat of Substitutes

The threat of substitutes in the Nigeria RRP market is high. Traditional combustible cigarettes have a great advantage in terms of deep cultural entrenchment, wide availability, and lower costs upfront. In addition, illicit products offer cheaper and more accessible substitutes that undermine the adoption of RRP (Wood et al., 2021). To respond to this threat, RRP have to provide tangible and clearly communicated benefits, including lower health risks, modern product design and long-term cost efficiency. Consumer switching, however, is affected by habit persistence, misinformation and regulatory signals, which can retard adoption rates (Maxim, 2021).

While Porter's framework does a good job of identifying substitution risk, it fails to do a good job of capturing switching costs, learning curves, or the role of public policy in determining substitution dynamics (Pangarkar and Prabhudesai, 2024).

4. Competitive Rivalry

Competitive rivalry within the RRP segment of Nigeria is limited at the moment (**JTI, PMI and KT&G**). Few multinational tobacco companies have made a meaningful presence, and the market penetration is relatively low.

However, rivalry is expected to intensify with improving regulatory clarity and the long-term growth potential of RRPs coming to light. Increased investment, product launches and marketing activity are likely as players in the market look to gain first-mover or fast-follower advantages (Vlados and Chatzinikolaou, 2019).

2.3 SWOT Analysis

A SWOT analysis is a systematic approach to assessing the strategic position of British American Tobacco in Nigeria through the analysis of internal advantages and disadvantages as well as the external opportunities and threats (Bisu et al., 2024). Within the SWOT analysis in the case of the expansion of reduced-risk products by BAT in Nigeria, the analysis will serve to identify the opportunities that the firm can take advantage of using its resources to exploit the market and deal with underlying risks related to regulation, competition and socio-economic volatility (Dumbili, 2025).

Strengths

The greatest strength of British American Tobacco in Nigeria is the **dominant market position and years of operations**. With decades of operation in the country, BAT Nigeria Plc has gained sufficient knowledge of the market, well-established distribution channels, and proper connections with major stakeholders, such as regulators, suppliers, and distributors (Puyt and Madsen, 2024).

BAT also has a good **brand portfolio** that enhances its competitive edge. The brand awareness and consumer loyalty among the global brands like Dunhill and Rothmans are high in Nigeria, and therefore BAT can tap into the brand trust when launching reduced-risk products (Ifrit, 2025).

The other strength that is critical is that BAT has **regulatory expertise and experience** of operation in highly regulated environments. This feature is especially important in Nigeria, where the regulation of alternative nicotine products has not yet been developed, and its capacity to enforce it is unequal (Bisu et al., 2024).

Weaknesses

BAT has a number of strategic weaknesses that can limit its strategies in Nigeria despite the above strengths. Its continued **dependence on burning cigarettes** as most sources of revenue can be considered as one of the weaknesses (Dogbe et al., 2024).

The fact that BAT is linked to a **socially controversial industry** is also a structural weakness of the entity. The adverse attitude of the people towards tobacco companies is preventing the capabilities of BAT to communicate freely with consumers and stakeholders, especially in markets where the public health advocacy movement is on the rise (Safitri et al., 2023).

At the operational level, this means that the multinational nature of BAT may bring about organisational complexity and may lower the level of agility at the local level. The global compliance requirement and centralised governance structure can make decision-making processes slow, which can reduce the responsiveness to the quickly shifting market conditions in Nigeria (Puyt and Madsen, 2024).

Opportunities

Nigeria offers big external **opportunities to the strategic expansion** of BAT, especially the Reduced-Risk Products segment. Being the most populous country in Africa, Nigeria provides a huge and young consumer market, as urbanisation is fast and exposure to international trends of consumers is rising (Свистунов, 2021).

The low level **of the reduced-risk products market development** is a major growth market. The low entrant presence of multinational companies in vapour and modern oral

nicotine groups allows BAT the chance to have the first-mover benefits, create the category leadership and influence the consumer tastes.

The **market opportunities are also increased by technological advancements**, especially mobile connectivity and digital payments. These trends contribute to new distribution and consumer interaction models and enable BAT to educate the consumers and control customer relationships under legal restrictions (Ifrit, 2025).

Threats

There are also **external threats in the Nigerian market** that are likely to derail the expansion strategy of the BAT. The most significant risk is regulatory risk, which in the future can be the imposition of increased controls on reduced-risk products, such as bans, taxation, and marketing restrictions.

Another **significant threat is economic volatility**. Weak currency, inflation, and unreliable infrastructure will increase the cost of operation and minimise consumer buying capacity. All these lead to an increased price sensitivity and a greater risk of downtrading or switching to illegitimate goods (Safitri et al., 2023).

Smuggling is another form of competition that is a constant in the tobacco industry of Nigeria. Through low-cost, unregulated goods, the authentic producers are compromised, and market share, especially amongst the price-sensitive consumers, is compromised (Dogbe et al., 2024).

The analysis of British American Tobacco expansion in Nigeria using the PESTLE, Porter's Five Forces, and SWOT frameworks is all-encompassing in terms of strategic analysis. PESTLE analyses macro-environmental variables that influence market conditions and the regulatory environment, which include political, economic, social, technological, legal and environmental factors as push and pull factors, respectively (Safitri et al., 2023). Porter's Five Forces analyses the industry forces, such as the competitive rivalry, power of buyers and suppliers, and threat of substitutes, as well as entrant barriers, which provides an insight into the competitive pressure that surrounds

profitability and strategic orientation. The SWOT is a synthesis of both internal and external knowledge and are the strengths, weaknesses, opportunities and threats of BAT and help align the organisational capabilities to the realities of the market. These frameworks in combination enable BAT to predict regulatory and economic risks, evaluate the level of competition and use internal capabilities to seize the emerging market opportunities, thereby making informed and evidence-based strategic choices in the dynamic Reduced-Risk Products market of Nigeria (Ifrit, 2025).

3 - Strategy Development and Formulation

This section formulates a coherent and evidence-based market entry and competitive strategy for British American Tobacco's dispersion of reduced-risk products into the Nigerian market. Drawing on insights generated from the preceding strategic analysis, the proposed strategy is in line with BAT's corporate objective to transition towards a portfolio of non-combustible products with long-term profitability in emerging markets (Klöpfer, 2021).

Relevant strategic models are utilised to justify the selection of the entry mode, positioning within the competitive context and the approach to risk mitigation to ensure that strategic formulation is clearly based on a foundation of both the theory and realities (Weke, 2024).

3.1 Exporting and Franchising

International market entry theory identifies a number of possible modes of entry ranging from exporting and licensing to joint ventures to wholly owned subsidiaries. Given the fact that BAT has an existing operational base in Nigeria through BAT Nigeria Plc, the preferred mode of entry for reduced-risk products would be an internal expansion strategy using existing subsidiaries, distribution networks and regulatory relationships (Dibie and Kalu, 2019). This approach minimises transaction costs, reduces liability of foreignness, and makes tighter control possible over compliance and positioning of the brand in a highly regulated environment (Jackson et al., 2021).



Figure 6 Market Entry Strategy (Canva)

Alternative modes of entry (i.e., partnerships with local distributors, licensing, etc.) were considered but were rejected as primary strategies because of the increased associated reputational and compliance risks of reduced-risk products. Retaining operational control allows BAT to enforce responsible marketing practices; quality standards of products and regulatory engagement are critical sources of competitive advantages in the Nigerian context (Adebiyi and Popoola, 2018).

3.2 Joint Venture

A joint venture (JV) is a strategic alliance between British American Tobacco (BAT) and a local Nigerian company to jointly own, share resources, and share operational liabilities for the growth of reduced-risk products. This strategy will help BAT to use the local knowledge, familiarity of the distribution networks and regulatory knowledge of a partner in Nigeria to help it enter the market and minimise the liability of foreignness. In addition, a JV may assist in counterbalancing the financial and political risks, as it splits the capital investment and regulatory risks (FANG and LEE, 2023).

Joint ventures, however, have their demerits. BAT can lose control concerning its strategic decision-making, operational execution, and brand management that might impact the quality standards and the adherence to the international standards of regulations. The presence of conflicts of interest and corporate culture between BAT and the local partner may also be an impediment to effective collaboration (Rezniqi and During, 2025).

3.3 Wholly owned subsidiary (WOS)

By a wholly owned subsidiary (WOS), a subsidiary entails that BAT owns fully and directly controls all operations in Nigeria, which would have full strategic and operational freedom in the introduction of reduced-risk products (Dorozhkina, 2023). This approach will enable BAT to sustain high quality and regulatory compliance and bring the operations located in Nigeria into close relationship with its international harm reduction and corporate change agenda. WOS allows utilising BAT brand management capabilities, research capabilities, and dynamic capabilities while making sure that the global knowledge and standards of the company are applied in full to the Nigeria context (Akingbola et al., 2025).

The main drawback of a WOS is that there is more risk of finances upfront because BAT is the one to pay all the capital investments, expenses, and economic and regulatory fluctuations. Also, building local market knowledge and distribution channels may take a long time for market entry and postpone revenue generation (Brandão, 2024).

3.4 Competitive Strategy and Value Creation

1. Generic Competitive Strategy

Porter's generic strategies framework is a useful lens to analyse BAT's competitive positioning. In the Nigerian reduced-risk products market, a differentiation strategy would be the most appropriate. BAT can distinguish its products by way of better product quality, scientific credibility, regulatory compliance, and brand trust. Unlike informal or low-cost competitors, BAT's products are backed by extensive research and development, and the company is able to tell a harm reduction story with scientific evidence (Weke, 2024).

Cost leadership is neither possible nor desirable in this setting, given BAT's compliance costs and the reputational risks in competing on price alone. Instead, differentiation enables BAT to justify premium pricing but target adult consumers that prioritise quality, safety and reliability (Dorozhkina, 2023).

2. Capitalising on Core Competencies

The resource-based view of the firm focuses on the core competencies of BAT as the key enablers of competitive advantage. BAT's global R&D infrastructure, regulatory expertise and brand management capabilities mean that the company is able to introduce reduced-risk products that meet international standards but in ways that are adapted to local market preferences. Furthermore, BAT has years of experience in stakeholder engagement, which puts it well positioned to influence regulatory development and public discourse on harm reduction (Dzeka, 2018).

These competencies are reinforced by BAT's organisational capabilities, which include a decentralised operating model that supports local responsiveness and an integrated supply chain that supports efficiency and quality control (Adebiyi and Popoola, 2018).

3.5 Risk Management and Strategic Mitigation

Regulatory and Political Risk	Regulatory uncertainty is the greatest risk to BAT expansion strategy. To avoid this danger, BAT's approach to regulating BATs should be proactive, anchored in transparency and scientific evidence and in line with public health objectives (Ogbudinkpa, 2021). Scenario planning can be used to prepare for potential tightening of regulation, such as restrictions on product formats or channels of distribution (Dibie and Kalu, 2019).
Economic and Market Risk	Macroeconomic volatility and currency risk may affect consumer affordability and operational costs. BAT can help to mitigate these risks due to local sourcing wherever possible, flexible pricing strategies and phased capital investment (Ukamaka, 2021). Focusing

	on urban markets first further mitigates the issue of demand instability (Moodie et al., 2023).
Reputational and Social Risk	Operating in such a socially disputed industry brings BAT into the exposure of reputational risk. This risk is increased in emerging markets where public health advocacy is on the rise (Ukamaka, 2021). BAT's harm reduction positioning and the strict compliance with responsible marketing principles and sustainability commitments are key to legitimacy and social acceptance (Amul et al., 2020).

4 - Performance Evaluation Framework

4.1 Performance Evaluation Introduction

The effective execution of the expansion plan of British American Tobacco to the Nigerian market is impossible without an effective performance assessment framework that will be able to convert the strategy into quantifiable results. International expansion programmes especially require the application of performance measurement since most of these efforts are characterised by uncertainty in the environment, regulatory risk, and long-term investment horizons, making it more difficult than conventional financial evaluation (Kingwalor, 2025).

4.2 Justification for the Balanced Scorecard Approach

The balanced scorecard framework, which was initially introduced by Kaplan and Norton, measures performance in four interconnected lenses that comprise financial, customer, internal business processes and learning and growth (Cooper and Ezzamel, 2016). The Balanced Scorecard will help BAT track the activities that not only are associated with revenue generation and profitability but also those leading indicators that can be considered to be critical, including regulatory compliance, brand trust, operational efficiency, and capability development (Soujaa et al., 2024).



Figure 7 Balanced Scorecard Approach (Al-Zwyalif, 2017)

1. Financial Perspective

The financial viewpoint is concerned with determining whether the Nigerian diversification of reduced-risk products is contributing to the overall financial goal of BAT and at the same time sustaining reasonable levels of risk (Cooper and Ezzamel, 2016). The main key performance indicators in this perspective are growth in revenue through reduced-risk products, contribution margin and the return on invested capital. These indicators will help BAT to determine whether the expansion is yielding sufficient financial returns to justify the continued investment (Soujaa et al., 2024).

2. Customer Perspective

The customer perspective is about the perception and adoption of BAT's reduced-risk products by adult consumers in Nigeria. This view is especially significant in light of the necessity to promote switching behaviour from combustible cigarettes to alternative nicotine products. Relevant indicators include market penetration rates among adult

smokers, repeat purchase behaviour, brand awareness and consumer trust indicators (Maina and Oriaso, 2019).

3. Internal Business Process Perspective

The internal business process perspective measures the efficiency and effectiveness of operational and compliance processes of BAT in Nigeria. Key areas of focus are regulatory compliance performance, supply chain reliability, product quality assurance and time-to-market for new reduced-risk products (Torgautov et al., 2022).

4. Learning and Growth Perspective

The learning and growth perspective captures the ability of BAT to maintain a long-term competitive advantage through organisational capability development. In light of the Nigerian expansion, this encompasses investment in employee training, scientific and regulatory expertise and knowledge transfer between the global and local operations (Kumar et al., 2023).

4.3 Success Criteria for Evaluation

Success Criteria For Evaluating Strategic Options

- **Suitability** is concerned with assessing which proposed strategies address the key opportunities and threats an organisation faces through an understanding of the strategic position of an organisation: it is therefore concerned with the overall rationale of a strategy.
- **Acceptability** is concerned with whether the expected performance outcomes of a proposed strategy meet the expectations of stakeholders.
- **Feasibility** is concerned with whether a strategy could work in practice: in other words, whether an organisation has the capacity to deliver a strategy.
- **Evaluation** is concerned with identifying strategies that can pass all the hurdles of suitability, acceptability and feasibility.

Evaluating Strategy

Strategies can be evaluated according to the three SAFE criteria of suitability in view of organisational opportunities and threats, acceptability to key stakeholders and feasibility in terms of capacity for implementation.



Figure 8 Success Criteria for Evaluation

The image introduces the SAF system (suitability, acceptability, feasibility) as the major success criteria of the strategic alternatives. The context of the British American Tobacco (BAT) internationalisation into Nigeria can be seen as the application of this framework to

understand whether this strategy can work and should be desired by stakeholders, as well as being practically feasible in a complex emerging market (Ombugadu et al., 2021).

Suitability is concerned with the alignment of the strategy to the external environment, opportunities, and threats of BAT. Nigeria is one of the largest consumer markets in Africa, as it has a population of over 220 million and a relatively young population profile. In the case of BAT, it has provided opportunities for growth in volumes in the long term, given that tobacco consumption in most developed countries is reducing with increased regulation and shifting social perceptions (Aggrey et al., 2024) .

Acceptability measures the conformance of the expected outcomes to the expectations of the stakeholders, especially on the risk and the return. Nigeria presents good long-term returns to the shareholders of BAT because of market size and reduced operating costs relative to the Western markets (Ombugadu et al., 2021).

Feasibility studies the capacity, competence, and ability of BAT to adopt the strategy successfully. The picture associate's feasibility with human beings and competencies, economic viability, and resource consolidation. BAT has years of experience in the emerging markets, well-established supply chains, good distribution networks, and financial capability, which have been useful in making operations in Nigeria viable (Aggrey et al., 2024).

And lastly, evaluation, which is illustrated by the image, involves the consideration of strategies that meet all three criteria of SAFE. In the case of BAT in Nigeria, international expansion would largely survive the suitability and feasibility trials, owing to the market potential and organisational ability. The most sensitive dimension is the aspect of acceptability because of ethical issues, resistance by the stakeholders and long-term reputational risk (Akingbola et al., 2025).

Conclusion

To sum up, the move by British American Tobacco to grow its business in Nigeria under the name of Reduced-Risk Products is a strategically good idea, as it conforms to the globalisation of the company to a non-combustible product-based venture. The overall strategic review indicates that BAT has strong internal resources, such as brand strength, regulation know-how, and research abilities, that the company can use to overcome the complex regulatory, economic, and social context in Nigeria. The analysis of the entry modes, which are joint ventures and wholly owned subsidiary companies, has shown that both entry modes have their own benefits and risks, but both entry modes enable BAT to choose the mode that best balances the control, domestic market acquaintances, and exposures to risks. The Balanced Scorecard model will make sure that the performance of the financial, customer, operational, and learning aspects is adequately tracked, which will help to make strategic changes on the basis of evidence. In general, the proactive nature of market entry, combined with strong internal strengths and a flexible strategy, will lead the company to sustainable growth, the creation of a competitive advantage, and the harm reduction goals in a developing reduced-risk products market in Nigeria.

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