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Report

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# **1. Introduction**

This report aims to examine the international business activities of Primark, as well as to assess how major strategic frameworks can inform its entry into a new economy, namely Romania (RTE News, 2022). Due to the growing complexity in global operating environments, it has become critical for MNCs to understand forces affecting competitive advantage, and long-term success (Sternquist and Goldsmith, 2018). This renders the analysis significant because it will allow organisations like Primark to pre-empt threats, capitalise on strategic benefits, and fit well within local market conditions. The report has been divided into four major parts. It will first examine the nature of the global value chain of Primark including R&D, sourcing and production, etc. followed by the benefits and challenges experienced by MNCs focusing primarily on Primark operations in Ireland, USA, Romania and India. Secondly, the report uses the OLI Eclectic model and the cultural dimensions by Hofstede to determine how the strengths of Primark, the market capabilities of Romania and the cross-cultural differences determine the entry mode choices and the potential to succeed (Hill, 2023). Lastly, based on the preceding discussion, this report will provide three significant Standard Operating Procedure (SOP) changes.

## **2. Benefits and challenges of international operations**

### **2a. Primark as an MNC/TNC**

Primark can be classified as a Multi-National Corporation (MNC) or Transnational Corporation (TNC) based on the magnitude, hierarchical organisation and the geographical decentralisation of its operations (Primark, 2024). A typical feature of MNC/TNC is that it has high levels of operational activities in two or more countries, a globally distributed value chain, cross-border transfers of finance and skills, and an organisational structure which considers coordination in the world with responsiveness in the local country, according to Amao and Schechinger (2017). Primark satisfies all these requirements of being an MNC/TNC.

It has a large retail network in various parts of the world, which encompasses Ireland, the United Kingdom, Spain, Portugal, Germany, France, Italy, Belgium, Austria, Poland, Romania, Slovakia, Slovenia, and the United States (Primark, 2024). This prevalent commercial activity shows the active involvement of Primark in the practice of foreign direct investment by creating fully owned shops in the various markets across the globe (Finamore, 2023). Meanwhile, its supply chain stretches far into emerging markets, especially in Asia, where it procures most of its products in partner factories in Bangladesh, India, China, Pakistan, Turkey, and Vietnam (Primark, 2025). This mix of advanced-country retailing activities and less developed ones' production ties fits well into the features of a TNC where strategic activity is allocated across countries due to comparative advantages (Mees-Buss, Welch and Westney, 2019).

Also, the organisational and managerial structure of Primark is transnational-oriented. Although brand strategy, buying, and merchandising are centrally controlled at the company base in Ireland, it has local market responsiveness, including store formats, product range, and seasonal changes, which are characteristic of a TNC (Finamore, 2023). Its capacity to organise design teams in Europe, manufacturing affiliates in Asia, a continent logistics network and store locations in various consumer markets highlights its transnational complexity (Kuppusamy and Kumar, 2019).

Thus, the global presence, cross-border value chain, the centralised but adaptable management system, and presence in the international markets entrench Primark as a multinational or a transnational corporation (Amao and Schechinger, 2017).

## **2b. Nature of Primark's global operations**

The global operations of Primark can be described as having a highly coordinated, globally dispersed value chain that underpins the low-cost fast-fashion model (Ologunibi, 2023). The company is linked to various countries by specialisation, for example, design and strategic decision-making in Europe, manufacturing in Asian and Mediterranean emerging economies, logistics centres in Western Europe, and retailing in Europe and the United States (Van Klaveren and Tijdens, 2018). Such a cross-border arrangement allows Primark to make the most of global economies and competes favourably with other fast-fashion retailers operating internationally.

### **Product design and R&D**

The design and buying departments of Primark are concentrated mainly in Dublin and London, where the international fashion trends are studied, and the product lines are designed (Primark, 2024). These units comprise multinational fashion buyers, designers, merchandisers and technologists of products so as to represent a globally integrated pool of talent (Primark, 2024). Centralisation of design enables the company to have the capability of the same brand identity and has economies of scale in product development (Hill, 2025). This is a value-added stage because, through this the fashion ideas can be manufactured cheaply and yet attractive to many consumers all over the globe (Collinson, Narula and Rugman, 2020).

### **Sourcing and production**

The most globalised activity of Primark is sourcing. The suppliers of the firm are located in Bangladesh, India, China, Pakistan, Turkey, and Vietnam, where the firms enjoy comparative advantages on the basis of low labour costs and sophisticated textile clusters (Van Klaveren and Tijdens, 2018). Therefore, it has a huge system of governance that directs production through its network of suppliers without having a factory. The independent manufacturers get the centralised design specification with compliance with

ethical and quality standards established by Primark (Van Klaveren and Tijdens, 2018). The globalised production model helps to reduce the cost of asset ownership, reduces the lead times and makes it possible to achieve the quick turnover of inventory that will give important competitive advantages in the fast-fashion industry (Hill, 2023). Primark manufactures its products by outsourcing, yet it remains very close to the factory to garner cost-efficiency and quality control.

### **Distribution and supply chain**

Primark has a globalised chain of distribution in the UK, Germany, the USA, Spain, and the Netherlands that is supplied with the products of overseas factories and delivers them to stores (Primark, 2024). Asian manufacturing facilities are connected to European and US retail markets through global transport systems, mainly maritime freight. The value is added at this point by consolidating shipments, inventory optimisation, and store replenishment (Wild and Wild, 2023). Unlike its competitors such as Zara, which has a highly centralised high-speed logistics network, Primark focuses on high-volume deliveries in order to sustain extremely low unit costs (Ologunbe, 2023).

### **Marketing, sales and retail**

Although most of the operational activities are globalised, Primark retail and marketing operations are highly localised (Russell, 2019). The company matches the structure of its stores, mix of products, price, and promotional tactics to the local consumer behaviour at a local market (Finamore, 2023). As an example, the Southern part of Europe, as compared to Northern Europe, has different product assembly because of climate and culture (Dalziel & Pow, 2020). Campaigns and window displays are customised by the marketing teams in every country to appeal to the local fashion sensibility (Dalziel & Pow, 2020). Localisation is advantageous as it improves customer experience and increases the topicality of the brand in different cultures.

### **HRM and cross-country coordination**

Primark also draws on talent globally in the areas of design, buying, sustainability and compliance, and local residents do the job of retailers and managerial teams (Primark, 2024). The similarity in digital platforms, group-based training initiatives and centralised

leadership systems enables cross-border coordination. The hybrid staffing model boosts innovation with multiple global professionalism and operational nimbleness with local retail experience (Wild and Wild, 2023).

## **Summary**

Comprehensively, the global functions of Primark are founded on the value chain, which is well distributed with design, sourcing, production, logistics, and talent management processes being globally developed and marketing and store operations being locally tailored (Dalziel & Pow, 2020). All these elements provide added value in terms of cost efficiencies, quick product turnover, or better consumer relevancy. This combined glocal network is the basis of the competitive advantage of Primark and leads to its further movement to developed and developing markets.

## **2c. Entry modes of Primark and the dominant entry mode**

The history of internationalisation at Primark guides the application of a number of different entry modes, depending on the nature of the markets, past opportunities, and strategic needs (Ortega and Okechukwu, 2017). Although the chosen modes represent different settings of operations, all of them demonstrate that Primark prefers a significant amount of control over its value chain and retail business.

### **Acquisition in the early expansion phase**

In the initial years of its international business development, Primark has actively employed the acquisition of retail networks as its entry mode (Primark, 2024). This led to the purchase of premises of poor performing, or administration overburdened retailers, with the biggest being Littlewoods and BHS, both in the United Kingdom and Ireland (The Guardiann, 2005). Other store locations in Spain and Portugal were implemented in the same way. This mode minimised the amount of time wasted in greenfield construction and enhanced the penetration of the market in the initial days of expansion of the company (Sternquist and Goldsmith, 2018).

### **Wholly owned subsidiaries in Europe and the USA**

In more recent times, international expansion by Primark has been mainly comprised of wholly owned greenfield operations. This mode has been used in several markets such as Germany, the Netherlands, Belgium, Italy, Austria, France, Poland, the Czech Republic, Romania and in the United States (Primark, 2024). Greenfield entry has enabled the company to make new large-scale, purpose-designed stores that correspond to its operational model, founded on high footfall, extensive product assortment, and intense control on costs (Sternquist and Goldsmith, 2018). Besides, greenfield setups allow Primark to fit its own management systems, supply chain operations, and merchandising guidelines without the historic limitations of having acquired locations (Hill, 2023).

### **Dominant entry mode**

The predominant entry strategy that has been used by Primark is the creation of wholly owned greenfield subsidiaries, which Primark has always practised in leading markets like Germany, France, and the United States (Primark, 2024). This entry mode allows Primark to maintain full store design, store merchandising, supply chain integration, and cost structure factors to its low-cost-high-volume retail model (Wild and Wild, 2023). Standardisation of branding and operating uniformity across nations is also anchored by greenfield investment, thus embedding Primark in its competitive advantage. Therefore, greenfield expansion has been its dominant internationalisation channel despite the previously used approach of store-asset acquisitions.

## **2d. Benefits of international operations**

The internationalisation of Primark offers a mixture of strategic advantages that strengthen the competitiveness of the fashion giants in the global market.

1. Revenue growth: Geographical expansion has greatly boosted revenue growth to enable the company to access large consumer markets outside the UK crowded retail market (Lubis and Muniapan, 2024). Markets like Spain, Germany and the United States enlarge the customer base of Primark, boost turnover by store outlets and contribute to elevated volumes of sales.

2. Value creation: The operations on the international front enhance value creation on the global value chain of the firm. According to Westerlund (2020), Primark attains high economies of scale and cost efficiencies by placing the design and buying in the UK and Ireland, and sourcing and manufacturing in cost-effective emerging economies. Its global logistical network and consolidated European distribution centres help it replenish fast and hold the value proposition of low pricing that is the basis of its competitive advantage (Ologunebi, 2023).
3. Learning and innovation: The cross-market learning, on its part, enables the company to spot new fashion trends, fine-tune product assortments and innovate in merchandising (Autio, 2017). In addition, Primary has better labour and talent availability in various markets.
4. Risk diversification: According to Amit and Singh (2024), international growth creates great risk diversification. The presence in various markets lowers the risk of local economic depression, regulatory changes, or customer changes (Amit and Singh, 2024). The multi-country sourcing approach by Primark also spreads supply-chain risk, reducing exposure to disruptions in any one of its production sites (Autio, 2017).

## **2e. Challenges of International operations**

International business is not bed of roses, rather full thorns. Companies like Primark face several challenges while implementing their expansion strategy as well as during the whole period of operations. For example, regulatory requirements are critical challenge for Primark operation in Romania since UK is not a member of EU (Hill, 2023). Therefore, Primark must comply with EU standards and requirements for operating in Romania. Besides, cultural and economic differences influence marketing and pricing strategy. Similarly, there are exchange rate risk, supply chain risks, and so on (Wild and Wild, 2023).

### 3. Impact of OLI factors on Entry Mode in Romania

Dunning developed the eclectic paradigm or OLI-framework to describe the reasons firms internationalise and the manner in which they choose suitable market-entry modes (Dunning, Pak and Beldona, 2013). The model includes the Ownership-specific advantages, the Location-specific advantages, and the Internalisation advantages, which combine to influence the strategic approach by a firm in entering foreign markets (Sharmiladevi, 2017). An examination of these factors relative to Primark offers some understanding of the decision behind the mode that it adopted in Romania.

#### 3.1 Ownership factors

According to Dunning, Pak and Beldona (2013), ownership advantages are those firm-specific resources, capabilities, and intangible assets that allow the firm to compete successfully in the international markets. These are brand equity, managerial skills, production economies, proprietary routines, and economies of scale (Sharmiladevi, 2017). Primark ownership benefits are far-reaching and form the core of attracting global competitiveness, which includes:

**Cost leadership business model:** The greatest advantage it has is its cost-leadership model, which has been attained by means of massive procurements, minimal operations, and the lack of online retail spending (Wang, 2023).

**Wide Supply chain:** Primark also enjoys a high supply chain, which is extensively cost-efficient with the presence of long-lasting supplier relationships in major manufacturing areas in Asia (Primark, 2025). These capabilities in the supply chain enable the company to achieve a consistent supply of the products at very low costs per unit.

**Managerial skills and information:** Primark has established standardised stock replenishment and store formats and operational models that enhance the speed of replenishing stock and excellent in-store consumer experience (Wang, 2023). These practices are a form of tacit knowledge and internal know-how, which cannot easily be transferred to another external partner (Wild and Wild, 2023) because it might be more likely to get diluted or used unwisely.

**Good brand awareness:** The company has established a brand among affordable fashion that is enhanced by the volume of traffic in major retail outlets (Kraaijenbrink, 2019). This brand identity creates a high-value asset of the firm that helps in expansion on an international level.

### **Impact on entry mode:**

Ownership benefits have a direct impact on the mode of entry chosen by a company in foreign markets. Companies with strong firm-specific assets are inclined to use high control entry modes because these capabilities related to the firms are secured and used optimally in situations when the organisation holds full control (Dunning, 2015). The wholly owned greenfield nature of entry enables Primark to duplicate its successful store format, retain a high level of conformity to its cost-leadership objectives, and operational continuity with potential of external interference in Romania (Hill, 2023). Though such an entry mode would be associated with heavy investment and put the firm at full risk of the Romanian market, the necessity to protect the core competencies and guarantee correct replication of the working model influenced the decision to choose full ownership as the most adequate strategic option (Wild and Wild, 2023).

## **3.2 Location Factors**

Dunning (2015) demonstrated that location advantages are associated with the economic, institutional, and cultural features of the host country and appeal to foreign investment. These are market size, economic growth, labour conditions, infrastructure in retail, regulatory stability, and suitability to the business model of the investing firm (Sharmiladevi, 2017). Romania has the following appealing conditions of location for a retailer like Primark:

**Rising consumer market:** Romania boasts one of the expanding economies in the central and eastern part with high disposable incomes (World Bank, 2021). Along with the economy, the demand for affordable style amidst the urban population is rising (Niculita, 2025).

**Spending on clothing and footwear (USD/capita per year)**

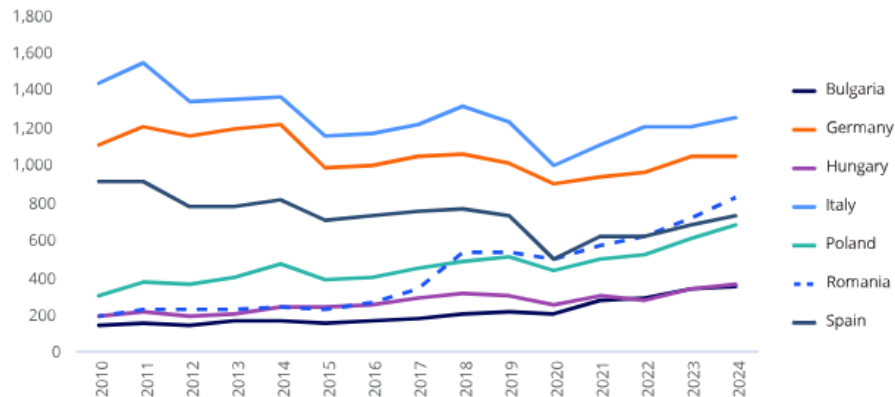


Figure: Per capita spending on clothing in Romania (Niculita, 2025)

The growth of shopping malls in Bucharest, Cluj, and Timisoara has raised the amount of modern retail space applicable to large-format stores (MKOR Research, 2024).

**Consumer culture is cost-sensitive:** Romanian customers are very price-sensitive, which fits well with Primark's low-pricing value proposition (MKOR Research, 2024). Primark will be able to serve the market and achieve higher sales with a cost leadership business model (Ologunebi, 2023).

**Positive legal experience:** The EU membership of Romania guarantees a stable regulatory environment, free movement of products, and adherence to EU retail standards, lower institutional uncertainty (World Bank, 2025).

**Availability of labour:** Romania is a relatively low-cost, trained retail labour force that lowers operational cost (Niculita, 2025). In addition, Romania is a country in the EU and, thus, skilled workers are freely moved across the borders.

### Labour market: robust wage growth and job creation over past couple of decades

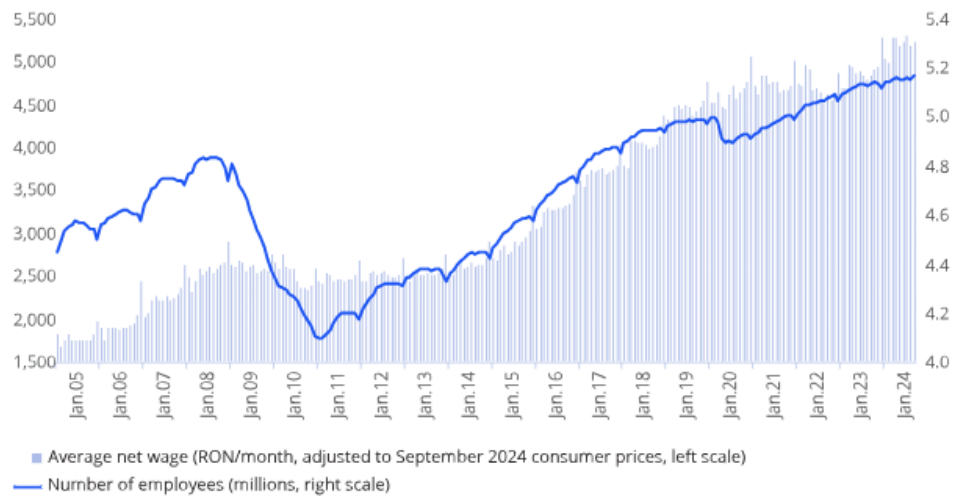


Figure: Labour market trajectory in Romania (Niculita, 2025)

### Impact on entry mode:

These location factors greatly influence the mode of entry adopted by growth-seeking Primark into Romanian market. According to Dunning, Pak and Beldona (2013), a stable and growing economy, demand for products, favourable legal and infrastructural conditions, and availability of labour encourage equity-based entry to leverage the full potential. Given these attractive location factors, greenfield investment is strategically beneficial in Romania as it allows the company to exploit the full opportunity without sharing with others (Agarwal and Ramaswami, 2012). Thus, the entry mode of Primark in Romania is said to be appropriate and offers scope for growth.

### 3.3 Internalisation factors

Internalisation benefits are benefits accrued by a firm due to retaining control over its assets and operations as opposed to contracting out by licensing, franchising or partnerships (Dunning, Pak and Beldona 2013). Organisations internalise operations to safeguard knowledge, preserve standards of quality, and lessen transaction expenses linked to market contracts (Wild and Wild, 2023). Some internalisation factors which form the core of the Primark business model are as follows:

**Need for strict control over sourcing and distribution:** Primark has been operating based on centralised, coordinated purchasing and speedy inventory replenishment (Wang, 2023). Close internal monitoring is a key to uniform quality of the product, equal prices, and turnover essence of the inventory in every store (Collinson, Narula and Rugman, 2020).

**Opportunism risks:** Low control operations expose the company to the risk of variable pricing, improper staffing policies and poor stock management problems, which directly jeopardise the cost-leadership position (Sternquist and Goldsmith, 2018) of Primark. New partners can also be motivated to focus on short-term gains, rather than stability in operations, introducing range in the stores (Ripollés, Blesa, and Monferrer, 2012).

**Logistics and stock-flow sensitivity:** The competitiveness of Primark is based on a smooth logistics operation, starting with the central distribution centres to stock flow in the stores (Kraaijenbrink, 2019). Any interference adds to the expenses and undermines capacity. Internalisation minimises transaction costs because complete control is created in arranging transportation schedules, allocating inventory, and replenishment cycles (Wang, 2023). This will promote efficiency, reliability and uniformity in all the international operations.

#### **Impact on entry mode:**

High internalisation pressures make the wholly owned entry mode stronger and vice versa (Agarwal and Ramaswami, 2012). Primark maintained total control of its supply-chain integration, store operations, and cost base by internalisation (Kraaijenbrink, 2019). This is necessary to ensure that its stores in Romania could achieve the same level of efficiency as its set-ups in Western Europe. Moreover, internalisation allowed more effective coordination with the Primark centralised European distribution centres that guaranteed the availability of stocks and the stability of operations at the beginning (Wang, 2023).

## 4. Impact of cultural differences on entry mode and the success of Primark in Romania

The cultural distance is also critical when it comes to defining the internationalisation strategy of the multinational companies (Antunes et al., 2013). Based on six cultural dimensions of Hofstede, this section critically analyses how the distinctions between Ireland, which is the home country of Primark and Romania, which is an emerging economy, could affect the Primark market entry mode, its performance in the operations and its success in the Romanian market in the long term (Ha, Binh and Dang, 2020).

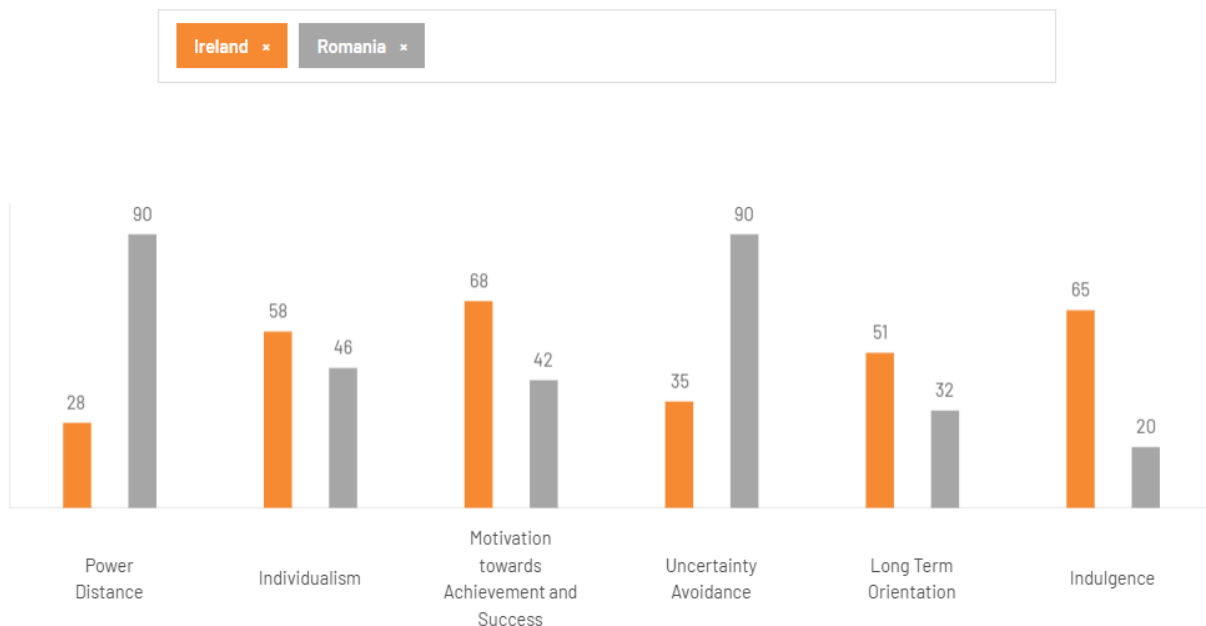


Figure: Hofstede's cultural dimensions of Ireland and Romania (The Culture Factor, 2025)

### 4.1 Power Distance

Ireland is a low power distance society (28), which is typified by flat hierarchies, open communication and decentralised decision-making, whereas Romania scores very high (90) on this dimension, signifying a belief in great managerial power and definite hierarchies (The Culture Factor, 2025).

#### Impact on Market Entry Strategy

High power distance culture supports the full-control mode entry, i.e. wholly owned subsidiaries, as uniform leadership and centralised regulation improve the alignment with hierarchical expectations (Ha, Binh and Dang, 2020). Exporting or JV may increase authority gaps between the headquarters and foreign management or undermine adherence to operational standards (Hill, 2023).

## **4.2 Individualism vs Collectivism**

Ireland is a slightly individualistic (58), whereas there is a tendency towards collectivism in Romania (46) (The Culture Factor, 2025). Romanian workers might attach more value to group integrity, loyalty and relationship stability in the workplace than the Irish workers.

### **Impact on entry mode and operations**

Since collectivist societies value trust and long-term relationships, Romanian businesses might also be hesitant about a new foreign retailer for partnerships (Collinson, Narula and Rugman, 2020). Though a franchising or JV would be exploiting the local networks and validating the brand, this would be difficult in Romania. Besides, this would dilute the control of Primark. Nevertheless, a fully owned shop enables it to create its own social legitimacy step by step and develop customer relationships (Drogendijk and Slangen, 2016).

## **4.3 Masculinity vs Femininity**

Ireland has a high masculinity score (68), indicating that there is a competitive, result-oriented setting, and Romania has a low score (42), signifying a more humble, interpersonal, consensus-seeking culture (The Culture Factor, 2025). The high-performance demands and cost-leadership model of Primark indicates a masculine orientation that will not align with the work-life balance and participative-oriented working styles of Romanian employees.

### **Impact on entry mode and operations:**

In a less competitive culture, non-equity entry modes are less motivated in order to achieve the aggressive performance targets needed by the high-volume low-margin retail model at Primark (Ha, Binh and Dang, 2020). This enhances the strategic reliability of

WOS, wherein Primark will be able to exercise its operational rate, inventory-turnover norms and efficiency-imperatives without relying on a partner that might hold other performance-aspirations (Wang, 2023).

#### **4.4 Uncertainty avoidance**

The low uncertainty avoidance (35) in Ireland leads to flexibility and improvisation, and ambiguity tolerance. The very high score (90) of Romania indicates the preference towards explicit rules, predictability, and orderly procedures (The Culture Factor, 2025). In the case of Primark, this cultural difference is especially important due to the fact that its retailing paradigm demands quick decision-making, fast merchandising, and operational fine-tuning (Wang, 2023).

#### **Impact on Entry Mode and operations**

High uncertainty avoidance prefers an internalised and full-control entry mode because consumers and employees seek steady and predictable operations (Frank, 2012). With franchising or Joint venture, the direction to employees and service to customers may be inconsistent, which is against the Romanian culture of ensuring straightforward reliability (Drogendijk and Slangen, 2016). The wholly owned store of Primark, thus, ideally suits the local taste and restrains operational vagueness.

#### **4.5 Long-term orientation**

The moderate long-term view (51) of Ireland is opposite to the short-term orientation (31) of Romania, as consumers of Romania prefer short-term advantages and immediate results (The Culture Factor, 2025). Primark has a fast-fashion business model that would fit this favourably, as they focus on their trend-follow, low-cost and accessible products (Wang, 2023). Therefore, short-term-oriented cultures generally demand an overt and manifested commitment on the part of foreign companies.

#### **Impact on entry mode and operations:**

Low-control mode of entry, e.g., franchising or JV, might be viewed as low commitment, and this weakens trust among local regulators and supply-chain partners, whereas a wholly owned subsidiary is an indication of long-term earnestness in the form of capital

investment, job creation, and operational integration that is evident (Wild and Wild, 2023). This enhances the legitimacy of Primark and a solid institutional relationship that is key to success in the emerging-market environment of Romania.

#### **4.6 Indulgence**

Indulgent culture of Ireland supports autonomous decision-making and flexible organisational behaviour, whilst restrained culture of Romania favours controlled behaviour and following rules (The Culture Factor, 2025). This variance increases the importance of high internal control since operations within restrained cultures are more efficient with explicit systems, expectations, and formal controls.

#### **Impact on Market Entry Mode and operations:**

An internalised rule-driven operational system is more consistent within a restrained cultural context (Drogendijk and Slangen, 2016). Franchising would bring diversity in standards and reduce process uniformity, which does not accord with the inclusion of formalised, controlled operating environments in Romania (Catana and Catana, 2012).

In general, through ownership, Primark can enforce procedures, performance expectations and compliance features which appeal to the Romanian value of structure and discipline. This consistency increases the reliability of operations and improves chances of success in the long run.

#### **4.7 Impact on Potential for Success**

The operational effectiveness of Primark in Romania can also be affected by cultural misalignment after entry into the country (Catana and Catana, 2012). High scores on hierarchy, rules, and predictability imply that Primark needs to offer high-level guidance, eminent leadership and stringent process transparency that would allow attainable uniform performance (Hill, 2023). Failure to adjust the Primark management norms, employees and local stakeholders might feel uncertainty or think that the company was poorly organised (Collinson, Narula and Rugman, 2020). The collectivist expectations also involve relationship building, trust, and constant team cohesion to continue with the stability of operation (Hill, 2023). In general, the success in Romania will depend on whether Primark can make its low-cost, efficiency-based model fit in a more formal,

disciplined, and culturally sensitive operation system. An inability to respond to such conditions of these cultures might erode the performance of the store, alignment of the workforce, and limit future market viability.

## **5. Recommended SOP adjustments**

The decision achieved by Primark to open in Romania is a major strategic opportunity, but an operational threat due to the confrontation between its conventional internationalisation pattern and the cultural peculiarities of the Romanian market (The Culture Factor, 2025). Primark needs to modify certain Standard Operating Procedures (SOPs) in order to achieve successful adaptation in Romania with the aim of safeguarding its ownership and internalisation benefits. The three recommendations below are the critical integration of OLI consideration and cultural input to recommend market adjustments to operational operations to succeed.

### **5.1 Implement more formalised hierarchies and authoritative leadership in stores.**

The initial and most necessary change is that concerning the managerial structure. The low power distance in Ireland is the root of informal communication patterns, decentralised decision-making, and focus on employee autonomy in Primark (Hill, 2023). Nonetheless, the highly contrasting power distance rating of Romania indicates that its culture anticipates strict hierarchy, directive leadership, and role distinction (Dartey-Baah, 2013). The autonomy offered to employees in such situations can be interpreted as not being guided and cannot be viewed as empowerment.

In terms of ownership advantage, the competitive advantage of Primark is due to its capacity to manage stores with high efficiency (Wang, 2023). The gaps between the desired and implemented routines in the country could appear, as in Romania. In addition, internalisation would be highly inefficient in a high power-distant culture unless Primark embraces more explicit authority in its SOPs (Agarwal and Ramaswami, 2012). Thus, Primark needs to reformulate its SOPs, to insist on more formalised hierarchies, including:

- Clearly defined reporting lines, with explicit descriptions of authority levels;

- Increased managerial presence on the shop floor to reinforce guidance and decision-making.
- Formal communication channels, such as scheduled briefings, instead of informal daily interactions;
- Mandatory compliance checks require managerial approval for key tasks.

This move has its shortcomings. Greater levels of hierarchy could slow the pace of decisions and blur the lightweight culture of operations that Primark normally fosters with low cost. Nonetheless, the benefits of it surpass the drawbacks in the Romanian case. The hierarchical understanding will boost the assurance of the Employee, SOP conformity, and the internalisation benefits of Primark.

## **5.2 Increase operational standardisation and structured training to reduce ambiguity.**

The second adjustment suggested is improved procedures standardisation. Romania has the highest score in uncertainty avoidance. Due to these conditions, the employees like predictability, detailed rules and structured work. The flexibility and decision-making power are most likely to enhance stress levels, inaccuracy, and recurring managerial clarification (Wild and Wild, 2023). Without an adequate framework of SOPs, Primark will experience operational inefficiency, low morale and high turnover element which directly affect the productivity of the stores.

Primark's cost-leadership model is based on cost-replicable operational processes in terms of ownership advantages. In case of vague directives among Romanian workers, accuracy in implementing stock-flow, merchandising, and replenishment processes can be eroded, undermining the ownership benefits of the firm (Collinson, Narula and Rugman, 2020). Nevertheless, internalisation cannot work well unless performance expectations are well understood by the employees. High uncertainty avoidance, hence, dictates that routines have to be written down in formal SOPs to maintain performance for clients (Hill, 2023). Hence, Primark needs to revise SOPs so that they include:

- Descriptive procedures that give step-by-step guidelines on how to approach the merchandising process, cash, stock, losses, and customer services;
- Compulsory training programmes with supervised situations, practice illustrations, and competency tests;
- Large amounts of procedural redundancy, i.e. checklists for all major operationalisations;
- More foreseeable shifts and clearly defined task allocations and work schedules per day to lessen uncertainty among employees.

An increased standardisation guarantees the cultural fit, minimises operational risks, and preservation of transferability of ownership benefits, which, in the long run, makes Primark viable in Romania.

### **5.3 Adapt store flow practices and customer service management.**

The third modification is in relation to customer-facing operations. Individualism (58) and indulgence (61) levels in Ireland are relatively high, which leads to the retail environment that promotes the independent browsing behaviour, purchasing on the spur of the moment, and hedonism (The Culture Factor, 025). Romania is, however, much more collectivist (46) and highly restrained (20). Collectivism is associated with the need to have interpersonal reinforcement, direction, and orderly social communication. Low indulgence indicates that consumers have low prices, value-based, and impulse buying (Hill, 2025).

Primark model in terms of ownership advantages is taking the form of effective customer flow, footfall and quick product turnover. Romanian customers might also feel unaccompanied in exploring stores, especially when they prefer it to be directed, without conversion rates decreasing, although the footfall might be high (Hill, 2023). Hence, Primark needs to revise SOPs so that they include:

- Enhanced front-line personnel so as to offer guidance, product locality support, and assurances;

- Easy in-store labels, navigation routes, and queue controls to help ease customer cognitive load;
- Prefer practices of communication that are often realistic, enduring and saving, over message-based business that is trendy or luxurious;
- Routines to be followed by the staff to proactively connect with customers at the peak times.

Such functionality has the ability to cost more in labour and introduce complexity to the store operations. Nevertheless, they make customers feel more comfortable, appeal to the local cultural interests, and make it more likely that the intended performance statistics of the store format of Primark will be reached in Romania.

These three proposed SOP changes are necessary to fit the ownership and internalisation benefits of Primark with the cultural presence of the Romanian market. Every suggestion is the result of critical assimilation of the insights provided by OLI and the cultural dimensions by Hofstede in such a way that Primark not only enters the market with the right organisational design, but also manages to ensure lasting success during its work.

## **6. Conclusion**

The report has assessed the potential opportunities of Primark to expand to Romania using the integrated use of the OLI framework and the culture dimensions of Hofstede. The discussion reveals that the high ownership benefits of Primark, the favourable but institutionally difficult location advantages of Romania and an internalised source of control favour the firm in determining the strategic deliberations of market entry. Unlike the case of Germany, the cultural differences between Ireland and Romania, specifically in power distance, uncertainty avoidance and indulgence, further contribute to the entry mode suitability and success in the long term. On the basis of these observations, three key SOP changes were proposed that included: a greater reinforcement of the hierarchical clarity, greater operational control systems and employee management and training practices. These changes will bring Primark's internal operations to the institutional and cultural context of Romania. On the whole, the report arrives at the conclusion that, given specific adjustments to its standardised model, Primark is likely to become successful in its sustainability operation in the Romanian market.

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