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International Market Entry Analysis:

A Strategic Evaluation of Costco Wholesale Corporation's Potential Entry into the Indian Retail Market

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1 Introduction

One of the most critical and irreversible choices a multinational corporation (MNC) can make when entering a new national market is foreign direct investment decision (Peng, 2022). Making decisions on market entry involves scarce resources and mistakes are expensive to undo, due to the uncertainty of the political, economic and cultural environment (Hill and Hult, 2023). This report seeks to assess the potential market entry of the world's third-largest retailer and largest membership warehouse-club operator, Costco Wholesale Corporation (hereafter Costco), into India whereas of 1 June 2026, the company does not have any operational presence (Costco Wholesale Corporation, 2025; Dispatches Europe, 2026).

India is certainly an interesting analytical example. It is the world's most populous country, the fastest growing among the major economies where the real GDP is expected to grow by about 7.4% in FY2025-26, and it is expected to become the third largest retail market in the world by 2030 (Press Information Bureau, 2026; IBEF, 2026). However, the retail sector is one of the most regulated with respect to foreign direct investment (FDI) where the cap is 51% FDI and it is also subject to state level approval and local-sourcing conditions (PSU Watch, 2026; Beacon Filing, 2026). The contradiction between the high attraction and the low degree of freedom of the market in India is the perfect environment for implementing the models of Bartlett and Ghoshal (1989) and Dunning (2000).

The report has been divided into two sections. Section 1 categorises Costco's international strategy, assesses India's macro-environmental (PESTEL) analysis and the OLI analysis and discusses the options available to Costco for its entry mode for India, followed by a reasoned recommendation. In Section 2 there is a reflective account of the research process with the use of Gibbs' (1988) reflective cycle.

2 Organisational classification and Global strategy:

2.1 Company Overview

Costco is a membership-owned warehouse club, founded in 1983 and headquartered in Issaquah, Washington, that has a narrow selection of about 3,800 stock-keeping units (SKUs) and a high rate of sales and inventory turnover (Costco Wholesale Corporation, 2025). As of the end of the second quarter of FY2026, the company had 924 warehouses in 14 countries and had 146 million cardholders, with net sales increasing by 8.1% in FY2025 (Stock Dividend Screener, 2026; The Takeout, 2025). The Kirkland Signature brand, as an example, and an

industry-leading philosophy of "ethical capitalism" are at the heart of its unparalleled customer loyalty and industry-leading membership-renewal rates (EBSCO, 2025).

Explain how Bartlett and Ghoshal's Typology works.Describe the Typology of Bartlett and Ghoshal.

The integration–responsiveness (I–R) framework of Bartlett and Ghoshal (1989) categorises MNCs, based on the two pressures: pressure for global integration (cost reduction through standardisation) and pressure for local responsiveness (adaptation to national differences). The framework gives rise to four types of configurations (international, global, multidomestic and transnational as shown in Figure 3).

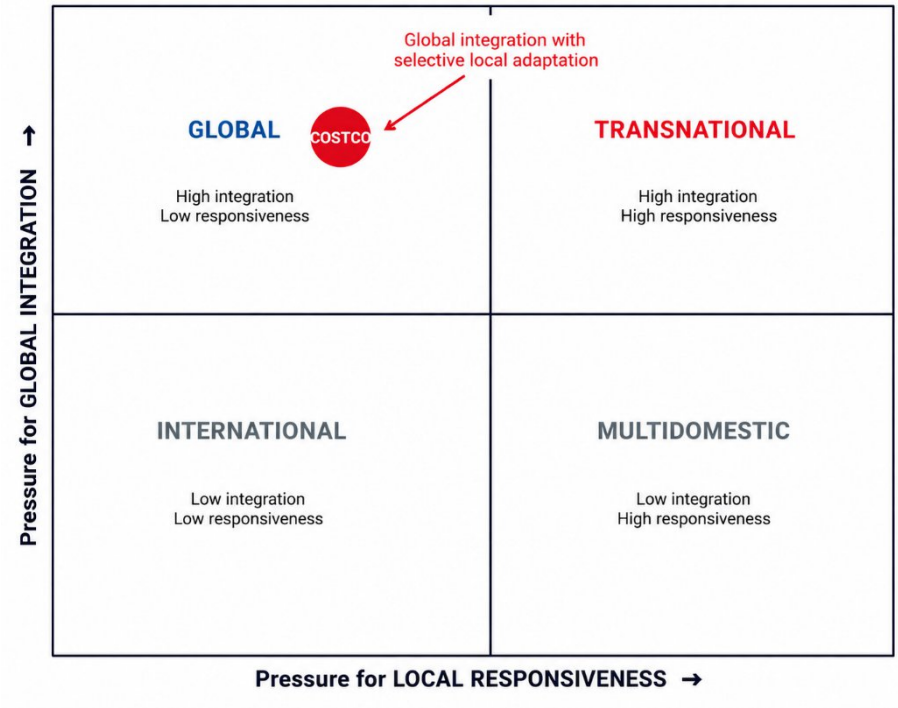


Figure 1 Positioning Costco on the Bartlett and Ghoshal (1989) integration–responsiveness grid.

Costco can be described as adopting a mainly global strategy, incorporating a small amount of transnational adaptation. The firm has strong pressures for integration as a globally standardised warehouse format of 140,000–147,000 sqft, centralised global sourcing and leveraging the Kirkland Signature brand across the world provide the scale economies that are the essence of its low margin business model (Stock Dividend Screener, 2026; Alphabridge, 2025). Costco, on the other hand, is not a pure global player, but it adapts its operations to the local market by focusing on small and medium businesses in Japan and affluent suburban households in Taiwan instead of urban apartment dwellers, and by customizing beef cuts into hotpot dishes and localizing merchandising (Alphabridge, 2025; Innovatank, 2024).

Theoretically, this is crucial positioning. Rugman and Verbeke (2004) contend that the majority of "global" companies are really regional companies, and the fact that Costco is very North America-centric and has disciplined and learning approaches towards international expansion lends weight to this argument. The firm does not simply copy its model; instead, it is deploys a "glocalised" approach that is characterised by standardisation of firm-specific advantages and a local tuning of merchandising (Ghemawat, 2007). For India this means the need for meeting a standard value proposition while catering to local tastes will be crucial.

2.2 Global Configuration and Competitive Advantage

There is a strong bias to North America when it comes to Costco's geographic location, with 634 out of 924 warehouses (69%) located in the United States and Puerto Rico, and an additional 114 in Canada and 42 in Mexico (Figure 1) (Fractional Brand Managers, 2026). While a minority of markets, international markets have been the primary growth driver for the firm throughout the first 18 weeks of FY2026, with comparable sales rising 9.5% and 7.0% in "Other International" and Canada respectively, as compared to 5.9% on the U.S. markets (Figure 2) (TradingView, 2026).

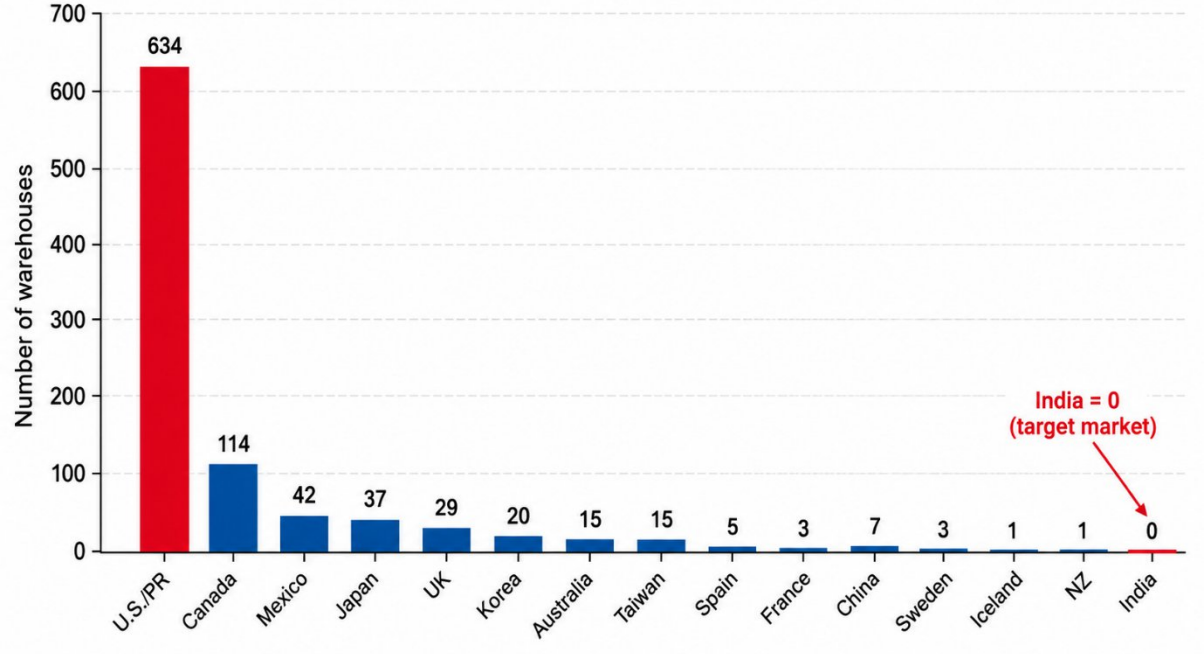


***Figure 2** Costco's global warehouse footprint by country, showing the absence of any Indian presence (target market).*

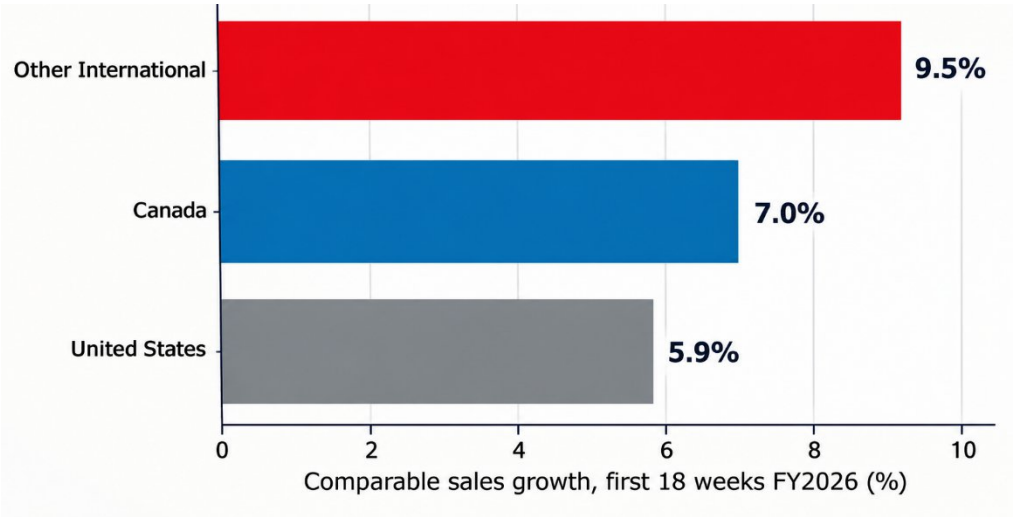


Figure 3 Comparable-sales growth by segment, first 18 weeks of FY2026.

The competitive edge the firm has is a tightly coupled activity system (Porter, 1996): low product prices, typically below market prices, to drive revenue, often by selling before suppliers are due to be paid, create negative working-capital dynamics; membership fees, high margin, recurring revenue stream; and limited SKUs maximise per item buying power. Value creation is thus relational and cumulative rather than transactional, and hard to emulate as it is part of a consistent and reinforcing configuration (Barney, 1991). The strategic issue for India is whether these benefits are applicable to a significant institutional and cultural distance, which is explored next.

2.3 Competitive Landscape and Industry Rivalry

The only way to make a strong entry decision is to know the advantages Costco has within it, and it's to know the industry it would be entering into. The Indian Organised Retail Sector can be summarised as a competitive market by using Porter's 5 forces (2008). This is an intense threat of competition, as established domestic giants like Reliance Retail, and the Tata group, along with Walmart's Flipkart Wholesale and Germany's Metro (which was acquired by Reliance in 2023) already have the advantage of scale, real estate and supplier networks that a new foreign player would not be able to establish rapidly (IBEF, 2026). Bargaining power of the buyers is high, as India is a price sensitive country where there is no switching cost between the large informal “kirana” network and modern formats. But substitutes do somewhat work in Costco's favor: No other operator offers what is essentially a treasure hunt experience that is curated and has a membership fee, and that's a point that could play a role in differentiating itself from other price competition.

There are two forces that are more mixed-up. Supplier power is moderate; Costco bases its leverage on its global scale, but the enforced local-sourcing requirement (Section 3.3) gives small industries in India the leverage in the crucial ramp-up period. Protecting an established position after once achieved can be seen as the threat from new entrants which limits Costco (North, 1990). This structural reading only reinforces an argument that will be central in this report: Costco's locational and relational head-start is not a given in India, and is something that a partner has to overcome to leverage the costco's advantages in the country. The five forces analysis as such should be looked upon as an addition to the resource-based approach of Section 2.3, positioning Costco's capabilities within the competitive environment of the country where they operate and amounting anticipations for the logic of a joint venture as developed in Section 4.

3 Macro-Environmental Appraisal and Market Attractiveness

A focused PESTEL analysis is applied with a focus on the political, economic, legal and cultural factors that are most relevant to an operator of a membership warehouse club, which are then later synthesized using Dunning's (2000) eclectic (OLI) paradigm. A summary is given in Table 1.

Table 1. ***Focused PESTEL summary of the Indian retail environment relevant to Costco.***

Dimension	Key factors relevant to Costco	Net effect
Political	Stable, business-oriented central government; "Make in India" and rising FDI liberalisation, but retail remains politically sensitive owing to ~13 million small "kirana" stores; federal structure means state-level discretion.	Mixed
Economic	World's fastest-growing major economy (~7.4% GDP growth); US$1.06tn retail market growing at ~11.4% CAGR; rising middle class; strong private consumption (61.5% of GDP); low car penetration in a warehouse-club model.	Positive
Legal	51% FDI cap in MBRT with government approval; US$100m minimum investment; 50% into back-end infrastructure; 30% local sourcing; e-commerce prohibited for MBRT-FDI entities.	Restrictive
Cultural	High power distance and collectivism (Hofstede); bargaining and relationship-based "kirana" loyalty; bulk-buying and membership-fee concepts	Challenging

Dimension	Key factors relevant to Costco	Net effect
	unfamiliar; vegetarianism and regional food diversity.	

Source: PSU Watch (2026); Beacon Filing (2026); Hofstede Insights (2023).

3.1 Political Environment

India has been politically stable relative to other nations and generally pro-investment as witnessed by the "Make in India", and the GST rationalisation of 375 consumption goods in September 2025, and the completion of India–UK and India–EU free trade agreements in 2025–26 (East Asia Forum, 2026). However, organised retail is a politicised space. There is no doubt that the livelihoods of an estimated 13 million small and family owned 'kirana' stores is a recurring flash-point with large format foreign entry, with successive governments restricting FDI and using it to balance investment with the protection of home-grown businesses (PSU Watch, 2026). India's federal structure exacerbates this: with retail being a state subject, foreign entrants have to deal with the additional regulatory and reputational risk of having to gain political buy-in at both central and provincial levels (USDA FAS, 2025).

3.2 Economic Environment

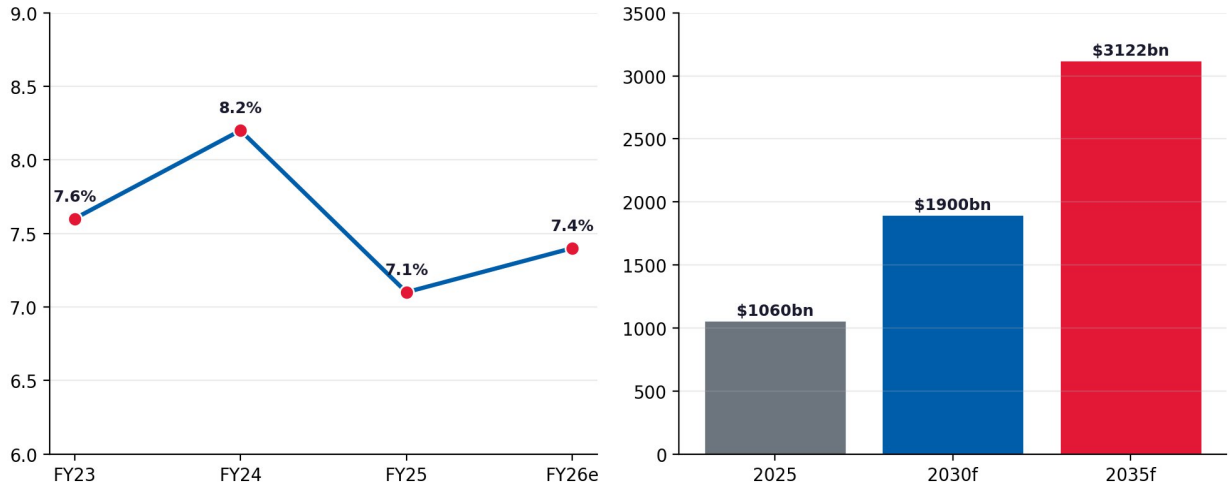


Figure 4 India macro-economic snapshot: real GDP growth (left) and retail-market size projection (right).

There's a strong economic argument for entering. India is projected to become the fastest growing major economy as it is expected that India will become the fourth largest economy in the world by nominal GDP in 2025 with real growth of approximately 7.4% from FY2025-26 (Anantam IAS 2026, Press Information Bureau 2026). Expansion in the retail market, valued at around US$1.06 trillion in 2025, is expected to grow at 11.4% CAGR to reach about US$3.12 trillion by 2035 with the growth being attributed to increase in the disposable incomes of the

tier-2 and tier-3 cities, as well as the private final consumption of 61.5% of GDP, (Expert Market Research, 2026; IBEF, 2026). This demand profile fits Costco's value proposition of high quality products at reasonable unit prices.

This is a good news/bad news scenario. The first is that the warehouse-club model assumes that there will be cars available for bulk transport, but car penetration in India is limited predominantly to affluent pockets of metros, limiting the addressable catchment (SlideShare/Khamesra, 2022). Second, customers are price-sensitive; there needs to be an attractive customer value proposition from the membership-fee business model to those who have become used to free access to their neighbourhood retail. All of this supports a targeting strategy that initially focuses on a metropolitan, wealthier audience, similar to that which Costco has used in its Asian strategy (Innovatank, 2024).

Another economic angle of the Indian consumption process should also be noted: structural digitalisation. The e-commerce sector in India, which is estimated to have a value of approximately US$130 billion in 2025, is expected to cross US$650 billion by 2034, with over 880 million smartphone users and the pervasive Unified Payments Interface (UPI) handling billions of transactions each month (IBEF, 2026). With its global strategy increasingly relying on digitally enabled sales, which accounted for over US$27 billion globally in FY2025, this is a large latent opportunity (Seeking Alpha, 2025). The irony, however, is stark: Even the same MBRT rules that allow physical stores will not allow e-commerce for the FDI-backed multi-brand retailers (Section 3.3). Costco would then have no choice but to turn down India's fastest-growing channel—just as it is best suited to do in such a channel. This economic potential/legal restriction dynamic is a theme that recurs in the analysis and also argues for a partnership arrangement as a potential way to develop complementary digital activities that can take place outside the FDI-restricted entity.

3.3 Legal Environment

The legal environment is the one factor that could be most constraining for Costco's entry and will significantly affect the entry-mode analysis in Section 4. Costco is not classified as a single-brand retail store (Beacon Filing, 2026), but a warehouse retailer in multi-brand retail trading (MBRT). FDI policy imposed on MBRT has a number of requirements, which can be summarised in Table 2.

Table 2. ***India's FDI conditions for multi-brand retail trading (MBRT) and their implications for Costco.***

Regulatory condition	Implication for Costco
FDI capped at 51%; prior government approval required (no automatic route).	Costco cannot own a majority — a local partner controlling ≥49% is legally mandatory, forcing a joint venture.
Minimum FDI of US$100 million.	A substantial, largely irreversible capital commitment raising financial exposure.
≥50% of first tranche invested in back-end infrastructure within 3 years.	Requires heavy cold-chain, warehousing and logistics investment — aligned with Costco's supply-chain strengths but capital-intensive.
30% of value sourced from Indian small industries.	Constrains global sourcing and Kirkland import strategy; necessitates local supplier development.
State-level approval; e-commerce prohibited for MBRT-FDI entities.	Restricts geography and forecloses India's fastest-growing channel (US$80bn+ GMV in 2025).

Source: PSU Watch (2026); Beacon Filing (2026); UNCTAD (2020).

Most importantly, these conditions have been a disincentive to investors: Cumulative MBRT FDI was only US$34.38 million during 2021-26 and only one foreign investor (a UK retailer) has been investing through the MBRT route so far (PSU Watch, 2026; PIB, n.d.). The restriction on e-commerce of MBRT-FDI companies is particularly harmful because of Costco's global strategy that places growing importance on digitally-enabled sales, which reached more than US$27 billion in FY2025 (Seeking Alpha, 2025). In the legal landscape, as a result, it is not impossible to enter, but rather the range of possible entry modes is limited.

3.4 Cultural Environment

India has been found to have a high power distance index (77) while Costco has a low power distance index (51) in its home market, the USA, and a long-term orientation (LTO) score (12), which is high for India. India's collectivism score is higher (70) than that of Costco (62). There are three cultural factors, which are particularly material. The first is the 'kirana' culture that is prevalent, which is characterised by personalised service, informal credit and relationship-based loyalty, which compete directly with the impersonal, self-service warehouse format (Kumar and Kaur, 2024). Secondly, the membership-fee and bulk-buying ideas are not known to households that often buy small amounts of food locally. Third, norms of diet across the country are quite distinct – such as vegetarianism – and there is considerable merchandising variation between different regions – as in Taiwan and Japan, where Costco adapted to local

needs by localisation (Alphabridge, 2025). The liability of foreignness (Zaheer, 1995) is thus increased and the role of a knowledgeable local partner is further accentuated.

3.5 Synthesis: Dunning's Eclectic (OLI) Paradigm

Dunning (2000) has developed an eclectic paradigm which states that a firm will conduct FDI when three conditions are met: (O)wwnership advantages, (L)ocation advantages and (I)ternalisation advantages. The framework is applied to Costco's decision on going into India in Figure 5.

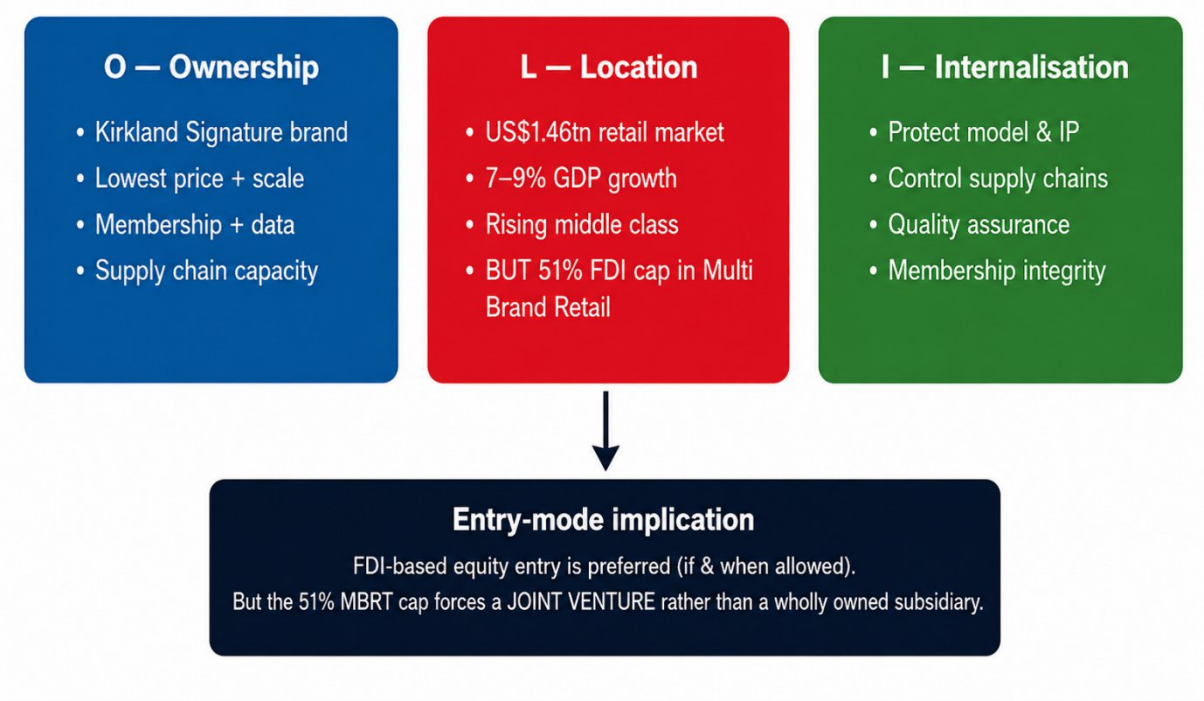


Figure 5 Dunning's (2000) OLI paradigm applied to Costco's prospective entry into India.

3.5.1 Ownership advantages (O)

Costco has several firm-specific assets that are well recognized and hard for others to duplicate: its own brand, Kirkland Signature, its powerful buying power, its membership data, and its supply chain and inventory management system (Barney, 1991; Dunning, 2000). These O-advantages are mostly non-location specific and are likely to move to India but are also partly dependent on the density and scale that Indian regulation presently limits.

3.5.2 Location advantages (L)

The L-advantages of India on the demand side are enormous (market size, growth and the rise of the middle class) and clear on the supply side, but not on the institutional side. The 51% FDI cap, local-sourcing rules and state-approval requirements are some of the clear disadvantages of location, involving transaction and compliance costs (North, 1990). The net locational pull

is positive, but subject to strong regulatory constraints: this is why a market-seeking logic has to be balanced with an efficiency-seeking and asset-seeking logic (Dunning and Lundan, 2008).

3.5.3 Internalisation advantages (I)

Costco has good reasons to internalise rather than license or franchise: maintaining the integrity of its membership, ensuring product quality, and protecting its beneficial relationships with suppliers are all open to opportunism and knowledge leakage, and are essential for the value proposition. (Buckley and Casson, 1976) Thus, in the context of internalisation theory, an equity mode is predicted. The limiting factor in Indian law for MBRT is that they cannot achieve (100%) total internalisation; the most they can do is a joint venture with a partner where Costco has 51% control, and the partner gets the remaining 49%.

But the OLI synthesis is direct but limited in form: all three advantages are for FDI, but the legal environment dictates that the specific form must be a joint venture – not the wholly owned subsidiary Costco would prefer worldwide. This sets up the entry-mode evaluation.

4 Entry-Mode Strategy and Strategic Synthesis

4.1 Historical Pattern Recognition

Costco has only relied on equity-based entry modes, wholly owned subsidiaries (WOS) and joint ventures (JVs), and has not relied on franchising (Studypool, n.d.; Alphabridge, 2025). As is evident from Figure 3, institutional conditions in the host country have determined the choice of mode.

Table 3. ***Costco's historical entry modes in selected international markets.***

Market	Year	Entry mode	Rationale / outcome
Canada / UK	1985 / 1993	Wholly-owned subsidiary	Low institutional distance; full control over the standardised model.
Taiwan	1997	Joint venture (President Group, 45% local)	Regulatory and cultural barriers; local knowledge needed; JV later moved toward full control.
South Korea	1994	Licence → equity (Shinsegae)	FDI restrictions and small-retailer protection; later converted to owned operations; Seoul became highest-grossing store globally.
Japan	1999	Wholly-owned subsidiary	Higher control feasible; targeted affluent, car-owning suburban segment.
China	2019	Wholly-owned	Entered once policy permitted; grew

Market	Year	Entry mode	Rationale / outcome
		subsidiary	0→7 stores in six years.

Source: Grokipedia (2026); The Case Centre (2015).

The pattern is revealing: When the institutional distance is low and full ownership is allowed, Costco will go all the way with wholly owned subsidiaries, but when the institutional distance is high or the regulations are, in turn, high, Costco will go to joint ventures or licensing, and then move towards more control as soon as possible (Grokipedia, 2026; Innovatank, 2024). This is a learning contingent approach which is similar to the Uppsala internationalisation model where firms tie up more and more commitment as they learn more about the market (Johanson and Vahlne, 2009).

4.2 Market Entry Strategy for India:

The 51% MBRT cap (Section 3.3) is a legal constraint that forecloses the firm from becoming the wholly-owned subsidiary of India, as preferred by the firm. The realistic options are between a majority joint Indian venture, or non-equity alternatives (licensing/franchising), which Costco has historically been against. This evaluation of the top choices is based on the criteria of risk, resource commitment, control and strategic fit (Root, 1994; Hill and Hult, 2023) and is presented in Table 4.

Table 4. ***Evaluation of feasible entry modes for Costco in India.***

Criterion	Joint venture (≤51% FDI)	Franchising / licensing	Wait / indirect (non-entry)
Political/legal risk	Compliant with FDI law; partner navigates state approvals	Lower capital risk but weak IP/brand protection	Zero regulatory risk; forgoes first-mover position
Financial commitment	High (US$100m+); shared with partner	Low; minimal capital	Nil
Operational control	Shared — partial dilution of standardised model	Very low; model integrity at risk	N/A
Local knowledge	High — partner supplies market, real-estate, sourcing	Depends on franchisee	None gained
Strategic fit	Strong — consistent with Taiwan/Korea precedent	Poor — contrary to Costco's equity-only history	Poor — cedes market to rivals

Source: Root (1994); Hill and Hult (2023); Peng (2022).

The joint venture comes out on top on strategic fit and risk adjusted bases. It meets the legal requirement of majority Indian ownership, the extensive financial commitment required of the mandated minimum of US$100 million, and most significantly, it includes a partner with local market knowledge, real-estate access, government networks, and supplier networks (Kogut and Singh, 1988). This directly reduces the liability of foreignness (Zaheer, 1995). It would be a strong partner in meeting the 30% local sourcing requirement, and would speed up the back-end build-out of infrastructure required by Indian policy. Joint ventures come with their share of danger. Partner opportunism, knowledge appropriation and the potential for the partner to become a future competitor are cautioned by transaction-cost economics (Williamson, 1985; Hamel, 1991). A standardised, culture-specific business model at Costco may also rub some partners the wrong way, and ceding control may weaken its operational discipline, which is what is at the heart of its cost advantage. These risks can be mitigated by partnering with the right logistics provider, well-crafted contract agreements, and a staged equity plan where Costco can buy additional shares as the Indian government opens up the sector to more competition in the form of MBRTs (as it did in Taiwan and South Korea, Grokipedia 2026; Innovatank 2024).

In order to take the discussion beyond a qualitative approach to the assessment of risk, Table 5 shows a structured risk-assessment matrix with the main threats identified by the likelihood of their occurrence and their impact, and concrete mitigation levers. This disciplines the recommendation by making the residual-risk logic explicit and not assumed (Root, 1994; Hill and Hult, 2023).

Table 5. ***Risk-assessment matrix for Costco's proposed India joint venture.***

Risk	Likelihood	Impact	Mitigation lever
Regulatory reversal / MBRT tightening	**Medium**	**High**	Structure staged equity; maintain compliance buffer; sustained government engagement.
Partner opportunism / knowledge leakage	**Medium**	**High**	Rigorous due diligence; ring-fence proprietary systems; robust contractual governance.
Cultural mismatch / low membership uptake	**Medium**	**Medium**	Metropolitan phasing; localised merchandising; trial memberships to build trust.
Local-sourcing shortfall	**Medium**	**Medium**	Early supplier-development programme leveraging partner

Risk	Likelihood	Impact	Mitigation lever
			networks.
Foreign-exchange / repatriation risk	**Low**	**Medium**	Natural hedging via local sourcing; phased capital deployment.

Source: Root (1994) and Hill and Hult (2023).

The matrix makes it clear that the most severe threats (those of regulatory reversal and opportunism from partners) have medium probability but high impact; both of these are covered by the same design features that lie within the recommendation: a staged equity structure and robust governance and disciplined partner selection. Importantly, there is no residual risk after mitigation that is in the high likelihood/high impact quadrant which would advise not to enter. This reinforces the report's main conclusion: Entry should only be made with a carefully managed joint venture and not through a rushed, all-out commitment. Also, the analysis highlights a general take-away point from the module: In institutionally complex markets, the mode of entry is the key tool of risk management (or not just a downstream administrative decision) (Peng, 2022).

4.3 Conclusion and Recommendations:

This report has considered how Costco could enter the Indian market, which has a tremendous size and growth potential, but is very challenging in terms of regulation and culture. The Bartlett and Ghoshal (1989) analysis placed Costco as a global integrated company that engages in selective local adaptation, which needs to be maintained but adapted to the Indian context. The in-depth PESTEL and OLI analyses came to a clear conclusion: Ownership, location and internalisation benefits all favour foreign direct investment, but the formal limit of 51% prevents the wholly owned subsidiary which Costco is seeking globally.

Based on the evidence given, the report suggests that Costco should enter India via a majority Indian joint venture with well-established domestic retail or conglomerate partners, in this manner:

- **Partner selection:** tie up with a conglomerate that has assets in real estate, cold chain and has suppliers locally (e.g., a big retail giant in India with these capabilities) that can address the 30% source locally and back end infrastructure.
- **Phased, metropolitan rollout:** first expand to tier-1 cities with high incomes and high car ownership – successful Asian rollout strategy of targeting higher income, mobile users first, and expanding scale later.

- **Merchandising:** vegetarian and regional preferences selected within a standardised warehouse format and a Kirkland value proposition.
- **Staged equity and governance:** contract negotiations and an option stated and deliberate to expand Costco's ownership, while still maintaining integrity of IP and membership, via robust governance.
- **Regulatory engagement:** actively connect with the central and state governments to ensure approvals and social licence, using the benefits of back-end investment, employment and farmer-linking to justify entry.

Overall, the Indian market is a strategic one but poses institutional challenges. The OLI logic of investing in equity is balanced with the legal fact of the MBRT cap in a well-governed joint venture that provides Costco with a risk-managed, precedent-consistent route to long-term growth, while giving the company the option to increase its stake as circumstances change.

5 Section 2: Reflective Account (Gibbs' Reflective Cycle)

This reflection follows Gibbs' (1988) six stage reflective cycle (Figure 6) to explore the process of researching, analysing and preparing Section 1, as well as to provide evidence of my critical awareness of my learning and research strategy.

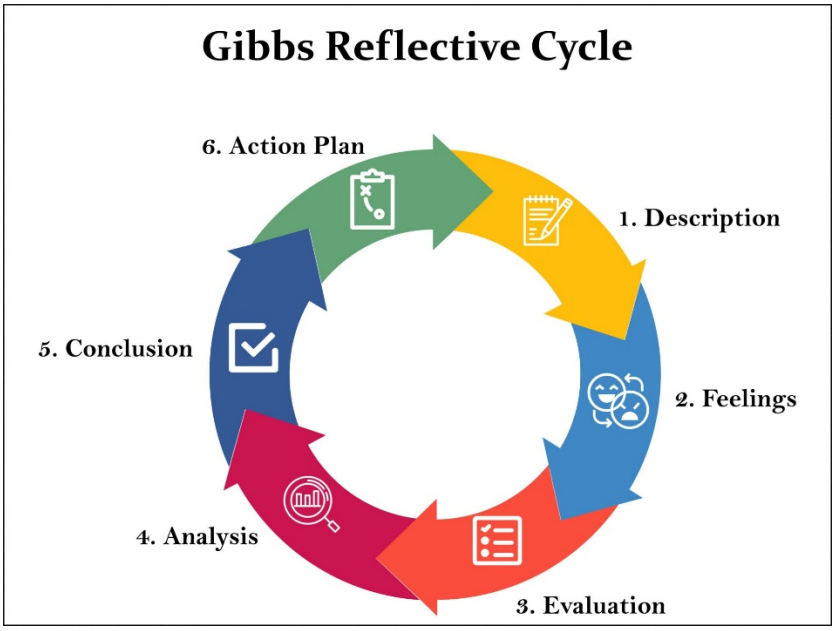


Figure 6 Gibbs' (1988) reflective cycle used to structure this account.

5.1 Description

The task involved the identification of an MNC that did not have a presence in a given country and assessing their market entry using existing approaches in international business. I selected the Costco company and India as a location and conducted an OLI synthesis and an entry-mode

recommendation based on academic theory and current information, along with an organisational classification and a focused macro-environmental appraisal.

5.2 Feelings

I was confident of the frameworks but was anxious about finding up to date and reliable information, especially on India's FDI regulations, which are subject to frequent changes. The more the analysis went on, the more satisfying it became to uncover the complete reordering of the entry-mode decision, which became a true strategic puzzle because the 51% MBRT cap was really a fundamental change in the entry-mode decision. Sometimes the amount of detail in the regulations seemed like too much work, but deconstructing it into a coherent argument was rewarding.

5.3 Evaluation

The ability to connect theory to current evidence was a definite strength of the process, as was creating a nuanced and defendable conclusion when bringing together the OLI paradigm of Dunning (2000) and the 2026 policy data. One thing I personally did wrong is to give an exhaustive description of each of the PESTEL factors; having been guided to focus on industry-relevant factors in the brief, this ensured that the analysis become really pertinent and focused.

5.4 Analysis

Looking back at what led to the process taking the path it did, the key takeaway is that the process would not have been the same if it had happened in a different institutional setting — which is highlighted in the module as an examination of institutional theory (North, 1990; Peng, 2022). At first I thought that what Costco would do is create another wholly owned subsidiary in Japan and China, but after reading the MBRT regulations, I was wrong. This proved to be a lesson in testing out my theoretical expectations with the specific legal reality instead of reasoning by analogy. The Uppsala model (Johanson and Vahlne, 2009) also proved useful in understanding the migration of Costco from joint ventures to full control to date.

5.5 Conclusion

I believe that the firm-specific history and host-country data at the time of a study, as well as theory, need to be triangulated in a disciplined manner when conducting rigorous analysis of international business. Without frameworks, I would have come up with a superficially sound, but legally unworkable, recommendation. The exercise highlighted the importance of source credibility, instead of giving weight to unverified information from the internet, giving weight

to content from government publications (PIB, IBEF), peer-reviewed theory, and reputable industry analysis.

5.6 Action plan

To get the analysis started, a map of the regulatory landscape of the host country is constructed first and then strategic frameworks are applied – but not used to qualify, but to inform – the analysis. I will also have a structured reference log from the start to help me to streamline my Harvard references and will continue to build my capacity for distilling complex and conflicting information into succinct and well-informed judgements, which is an integral part of the post-graduate professional practice.

In addition to these process enhancements, the assignment changed the way I plan to solve strategic problems in my professional practice. I saw the value of using analytical tools like PESTEL, OLI and Porter's five forces as a combination and not individually as each of them helped to highlight a different angle of the decision; a joint-venture recommendation was reached after using all three of these analytical tools and I felt that the result was stronger than a result gained by using one alone. I also felt more at ease to work with incomplete and sometimes conflicting data (e.g. inconsistencies in GDP growth estimates from data sources), triangulating official data with valid analysis, and being open about assumptions. This is similar to a real manager's decision making process, which is often ambiguous because it is not possible to wait until all information is known (Peng, 2022). Lastly, I have developed a better ability to present complex reasoning in an argument with a clearly stated central thesis, and to put tables and figures to the analytical use of "information, but not decoration," which I will continue to apply in future consultancy-style projects and in my ongoing professional development.

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