



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Name: Lika Keinasvili

Student ID: 2123648

Modul Code: LCBB4005

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Lecturer: Dr Piyumika Kithulgoda Gamage

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Introduction:

International business is the production and sales of goods and services between countries. *Catherine Cote (2020)* in this report we are going to discuss several ways and opportunities how the business can be international and global. From the very beginning to be the business global and international must sell the production and sales of goods within and across borders however to produce goods in different countries *Catherine Cote (2020)* but sell it locally. Likewise, the business can produce some new product goods and services in different countries, sell it in local but also sell it internationally. This report highlights about the Costa Coffee company which is in UK. Costa Coffee is Fifty years old they are highly experienced to produce the best quality of coffee. They have exclusive coffee making skill although have exclusive history. The Costa coffee was found by two brothers Sergio and Bruno in London 1971 *Costa coffee (2023)*. They opened very small roastery they committed to produce the best coffee in London and be loved by everyone. The demand of their coffee was growing they changed the roastery and location, *Costa coffee (2023)* they move on Old Paradise Street where the roasting was until 2017. From this location they could produce the coffee and sell it to across the city. This report will discuss about the challenges will face the Costa coffee to enter the developing country, considering all the factors political

economic, cultural, and more. Although this report will discuss about opportunities how they can grow the business.

A Brief introduction of Georgia as selected country

Georgia is developing country that has population of 3.7 million and 69,781km² *the world bank (2023)*. Georgia has shown the progress last few years, in economical factor increasing the from \$3,048 in 2010 to \$4,608 in 2021 *the world bank (2023)*. The poverty has decreased at the same period but still does not have suitable workplaces. According to *the world bank (2023)*. more than third of all workers are engaged in low productivity agriculture. Results of poor learning and lack of skills can be challenging for growing some sectors as a private.

Context of international business

International business is highly breathtaking it is still risky *Catherine Cote (2020)*. As we are aware of every country has their government, regulations, policies, law, international business to be developed.

commonly the business produces goods abroad by cause of lower costs and tax regulation likewise they sell goods and services abroad as results of they need to acquire new customers and better to increase the earnings. Although the

As we talked before, we can refer to some of them:

- Language barrier when you enter the international business it is critical to acknowledge the languages of the countries you want to develop.
- Unfamiliar cultures it is important to consider that every country has culture.
- To Manage the employees, they live across the world, because they communicate with different languages, have different culture and different mentality.
- Currency exchange must be aware of that. According to *Catherine Cote (2020)* the value of the dollar in your country will not be equal to the same amount in other countries' currency.
- Politics and regulation regularly the business is impacted by policies, politics and with relationships between the countries *Catherine Cote (2020)*.

Moreover, there is an opportunity for Costa coffee to expand and develop their business, likewise, to grow the business will be depending on external factors, considering many aspects will be affected the business. However, it is critical to apprise all the factors before your entree the country. This report refers to Pestle Analysis and porter's five forces, will evaluate several factors they can impact the business.

PESTLE Analysis

Pestle Analysis is a tool, that can be used to analyses several factors can impact a business. These factors are followed: Political, Economic, social, technological, legal, and environmental. This report will evaluate all these factors. As follows:

Political factors are government regulations and some law issues *Fabyio Villegas (2023)*. They are affecting the business to have less profitable and be more progressive. The PESTLE Analysis has been designed to be responsible and evaluating the way that cannot this happen. According to *Fabyio Villegas (2023)* the subjects must be considerate on tax regulations, copyright, labour laws, social and environmental analysis policy, and safety regulations. Which need to follow by

Costa coffee company when they entered the country. When Costa coffee entered the country they must follow all the regulations of Country.

Countries may prevent to produce their product if Costa Coffee do not follow the local government regulations *Susana White (2022)*.

Economic factors analyse some external economic issues and can affect the company is not success. *Susan White (2022)*.

However, Costa coffee has thousands of customers across the world when they entered the new country they must keep same recipes and same customer preferences, it must focus more on healthy and tasty recipes *Susana White (2022)*.

Social factors analyse socioeconomic environment of the business. However, Costa coffee already introduce more flavours in their business.

Technology it is critical for business, but technology can affect the business positively or negatively *Fabyio Villegas (2023)*. Costa coffee already had used the social media platforms results of there are many competitive on the market *Susan White (2022)*.

Legal factors the company already achieved to secure their rights, to be on market in different country.

Environmental factors are when for costa coffee to produce the coffee is essential, cannot operate if they do not have access to coffee. *Susan White (2022)*





Porters five forces Model was constructed by Harvard business School professor Michael Porter and was published in 1979. *MindTools (2023)*. Model populated as critical strategy to analyse the comparatives in the corporation. The model consists of several forces: Treat of new entrants, Bargaining power of suppliers, Bargaining power of buyers, Threat of substitutes, Competitive Rivalry.

Treat of new entrant according to *MindTools (2023)* this model identifies organizations to look beyond direct competitors and instead, consider broader environmental forces. by considering this model will help any organization or business to make knowledgeable decisions. when you have clear understanding of this model you can appley to your business to have better profitability and stay in competition *mindTools (2023)*. However, this report will analyse and examine every single force although this will help identify real competitors in the industry. if your environment is threatened by rivals about entering your market, if it is requested little amount of money and effort, likewise if you have less technology protection then they can enter your marker quicker *mindTools (2023)*.

Moreover, if you have strong entry barriers entry you can stay in your supportive position. Some of the barriers can be such as complex distribution networks, challenging to find new suppliers, they must be ready to be committed to competitors *mindtools (2023)*.

If the costa coffee, try to apply this model for their organization by considering the competitors it will be faced some challenges. They must consider on how to make tough for competitive to entry their business. However, if they succeed, they will stay in same level.

Bargaining power of suppliers. This factor is based on how increase or curtail the quality of the brand, for instance if Costa coffee has only one supplier in the developing country Georgia, that only this supplier can inventory specific product then they have steady power of supplier *mindtools (2023)*.

When you have more suppliers, you can smoothly to switch to cheaper alternative, *mindtools (2023)*. nevertheless, if there are few suppliers and most business depending on them there is a chance that the suppliers will increase their prices. This can affect your profitability, as thinking for expensive contracts.

In Georgia as a developing country there are few suppliers, result of that supplier is charging more, and they are increasing prices. As a company Costa coffee will

enter the country first time, although there are limited suppliers for this industry, but this can be beneficial still. By reason of people will know more about the business, they will try new recipes most beloved coffee from UK.

Bargaining power of buyers if total amount of buyers is low in that industry by comparing to the number of suppliers, then they have chosen easily to switch to cheaper competitors. as results of this can impact to lower prices *mindtools (2023)*. In Georgia as developing country there are few buyers or suppliers that means the company will not face this factor.

Threat of substitutes this factor refers to probability, your customers find alternative way to do what you were doing. This can be improved or low-cost or same time both *mindtools (2023)*. According to *mindtools (2023)* the threat of substitution rises when customers find it easy to switch to another product, or when a new and desirable product enters the market unexpectedly.

Competitive Rivalry factor focuses to identify your company rivalry, the amount of rivalry, who they are, if you can compare the quality of products with their products and services *mindtools (2023)*. in the industry where the rivalry is high, companies' lower prices on their products because of buyers and suppliers can go somewhere else if they have good deals or same sales. Moreover, if in the industry is it you only and there is no rivalry, can be beneficial, you will have huge competitive force and better profitability.

In Georgia as developing country you must focus on potential rivalry, just to remember about your company, how you can compare your products, to think about your own company offers *mindtools (2023)*.

Challenges and opportunities

According to *INTERNATIONAL TRADE ADMINISTRATION (2022)* Georgian government has reduced or eliminated most tariffs, considering what type of product are, costume tariff can be 0%, 5% or 12%. The products which are imported they added 18%. Tax. Some of the products are alcohol, tobacco, and automobile. Most of the time the business organized in Georgian languages. All the regulations of law are printing in Georgian language, however in global business many Georgian people are involved, and it is quite common to talk in English. Some skills are still developing such as communication skills and marketing skills *INTERNATIONAL TRADE ADMINISTRATION (2022)*

It is critical to have visit to local an attorney licensed before the business entry in the country.

Georgia is charming country with some attractive market in between the region countries, *INTERNATIONAL TRADE ADMINISTRATION (2022)*. The government has been focusing to develop those sectors, infrastructure, energy tourism and agriculture however it was supported by international donors. some of the donors

are such as materials, medical equipment. Most common and wanted sectors are, construction of roads, water system and hotels.

Different Barriers experienced foreign business in Georgia.

According to *Catherine Cote (2020)* when you are entering international business, it is critical to have an idea about some barriers you may be in faced, some of the particularly important barriers are:

Language barriers

If Costa coffee enter the developing country Georgia first challenge will be faced is language barrier, which can be resolve it, by finding appropriate services.

Cultural differences are quite common when the new company is begun to start business operation in developing country results of the people have diverse cultural, different mentality and different lifestyle.

Managing global teams, it is tough to manage your employees, they can face difficulty on technology likewise we mention it before language barrier as well

Currency exchange in every country currency of exchange can be different and incredibly challenging.

Nuance of foreign politics. It is important to follow the local country law regulations.

Conclusion:

This report is about business developing in foreign country as chosen Country Georgia, this report mentions the barriers, challenges, and opportunities. However, this report analyses the PESTLE Analyses and porters five forces which are critical for business development. It is helps to identify hiring any issues at work. Considering on developing country Georgia there are many factors must focus on. For instance, language barrier, political barrier, cultural barrier all this factor effects the business development to the country. But also, we have mentioned about the solution can found for the problem. It is nightly recommended to use PESTLE Analysis tool in developing business it is help you to identify some factors and find solution as well. Porters five forces tool is to identify the complete in industry. In conclusion of this report, we can analyse how we can move the UK based company to a developing country like Georgia.

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