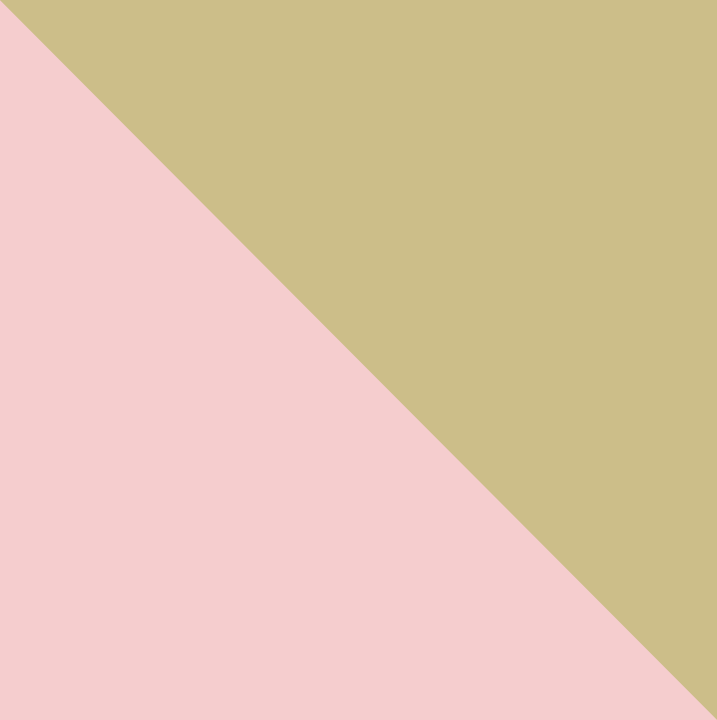


The background features a large white circle in the center, which is partially overlaid by a dark blue shape at the bottom and sides. The top-left corner is light blue, and the top-right corner is light pink.

EVALUATION OF BUSINESS ENVIRONMENT



Global Business Environment (LCBB4005)

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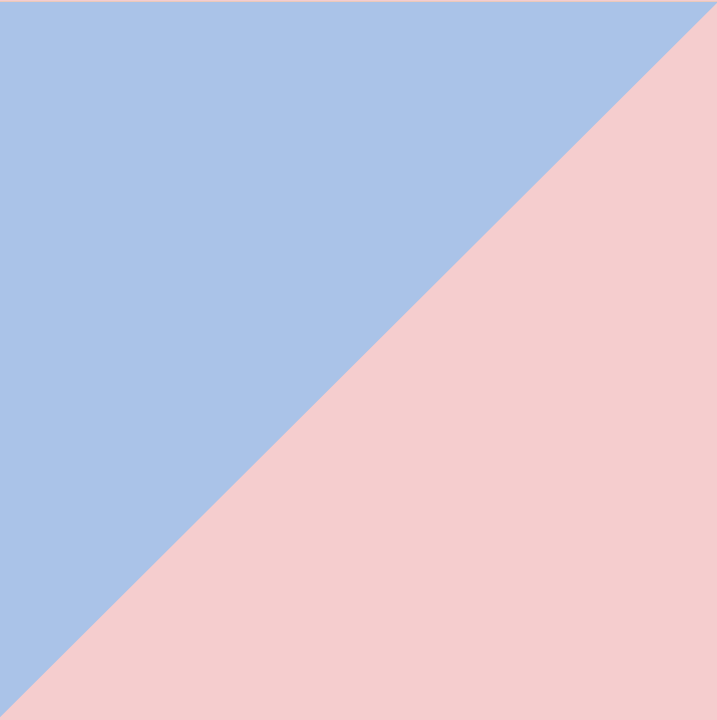


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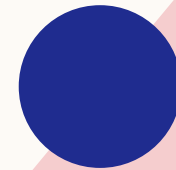
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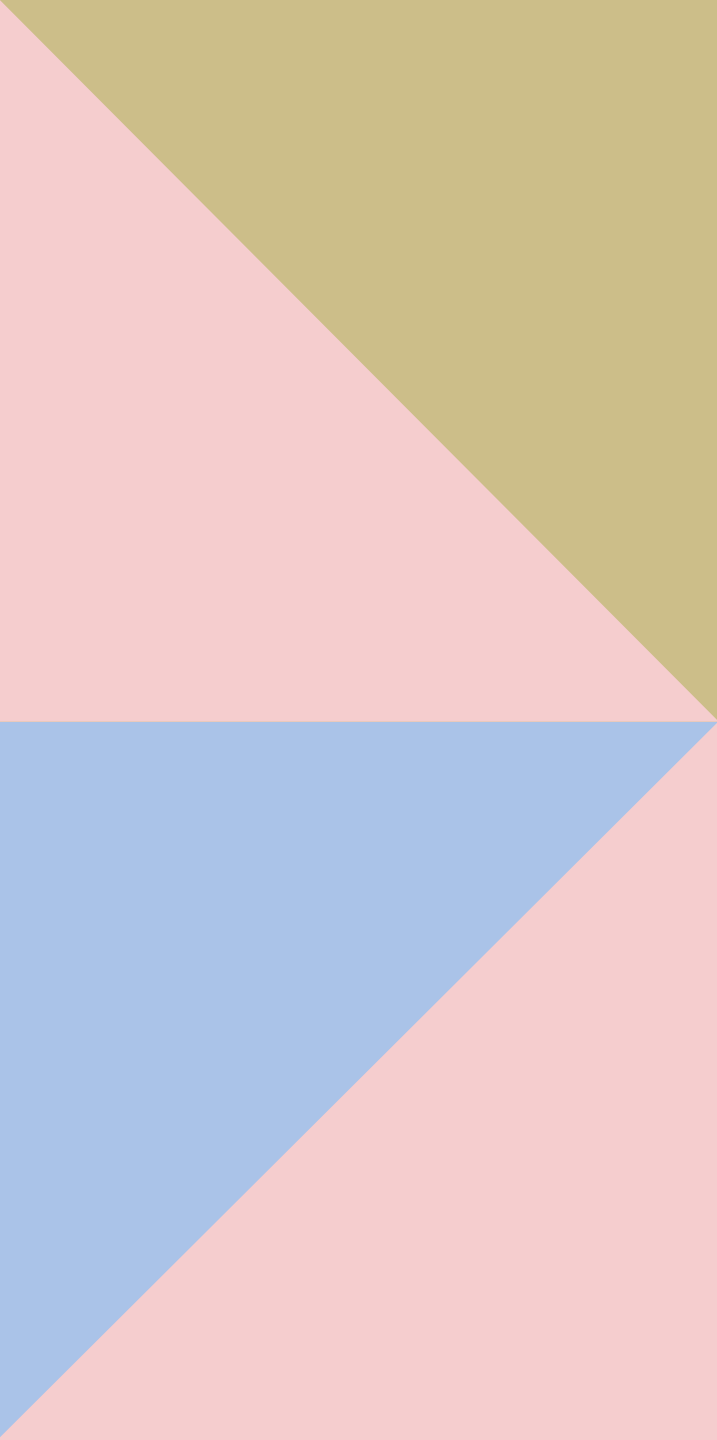
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INTRODUCTION

This presentation will be based on the opportunities and challenges of expansion of the business of Sainsbury in China. It will focus on how to make the company achieve its full potential in China. The purpose of the presentation is to demonstrate how Sainsbury can maintain a competitive edge in the Chinese market and have long-term sustainable growth. Firstly, the presentation will focus on the key opportunities for the company in China, later it will discuss the key challenges and finally some recommendations will be given.

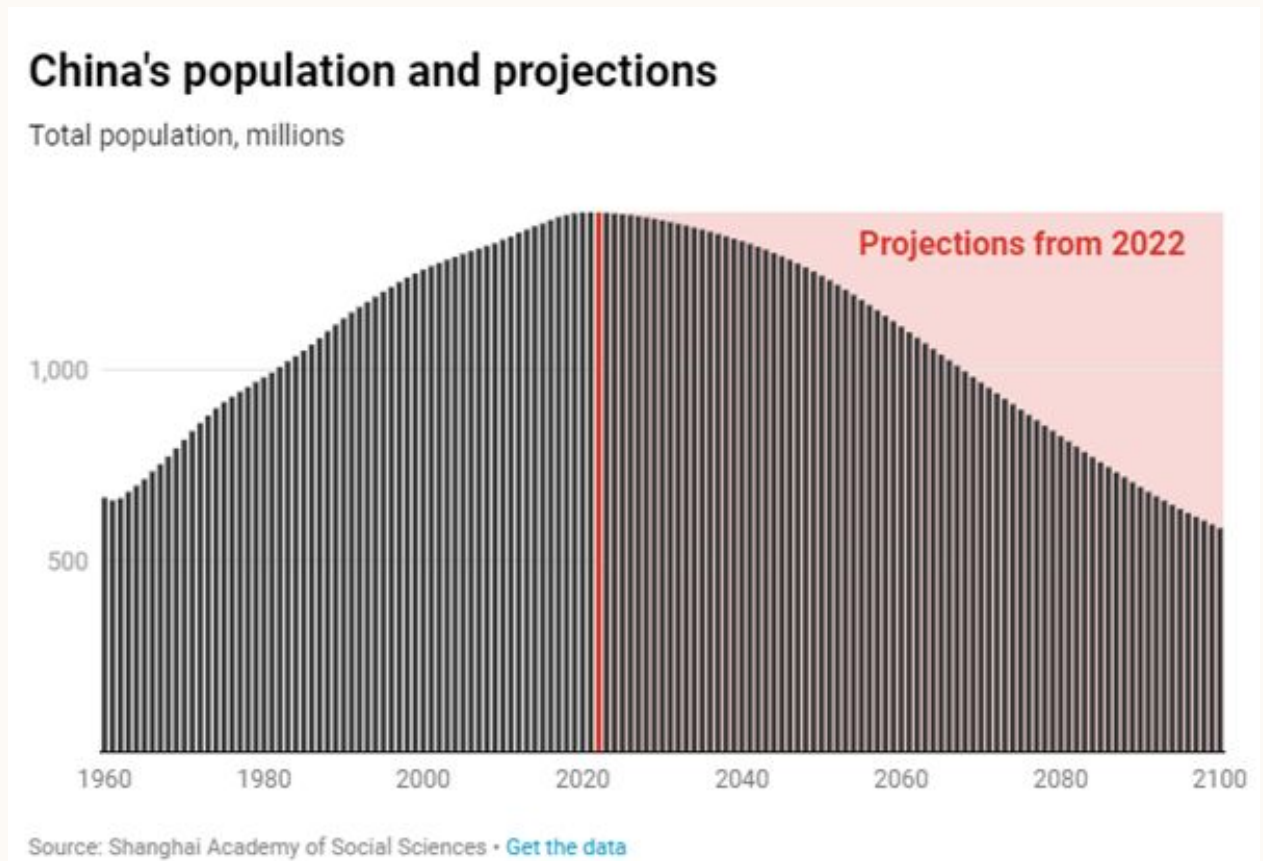
KEY OPPORTUNITIES

- The infrastructure in China is expanding, making it simpler for companies to conduct business there.
- A new rule recently passed by the government will enable any corporation to conduct business with both domestic and foreign firms. This opens up a tons of options for the Chinese market to grow and expand.



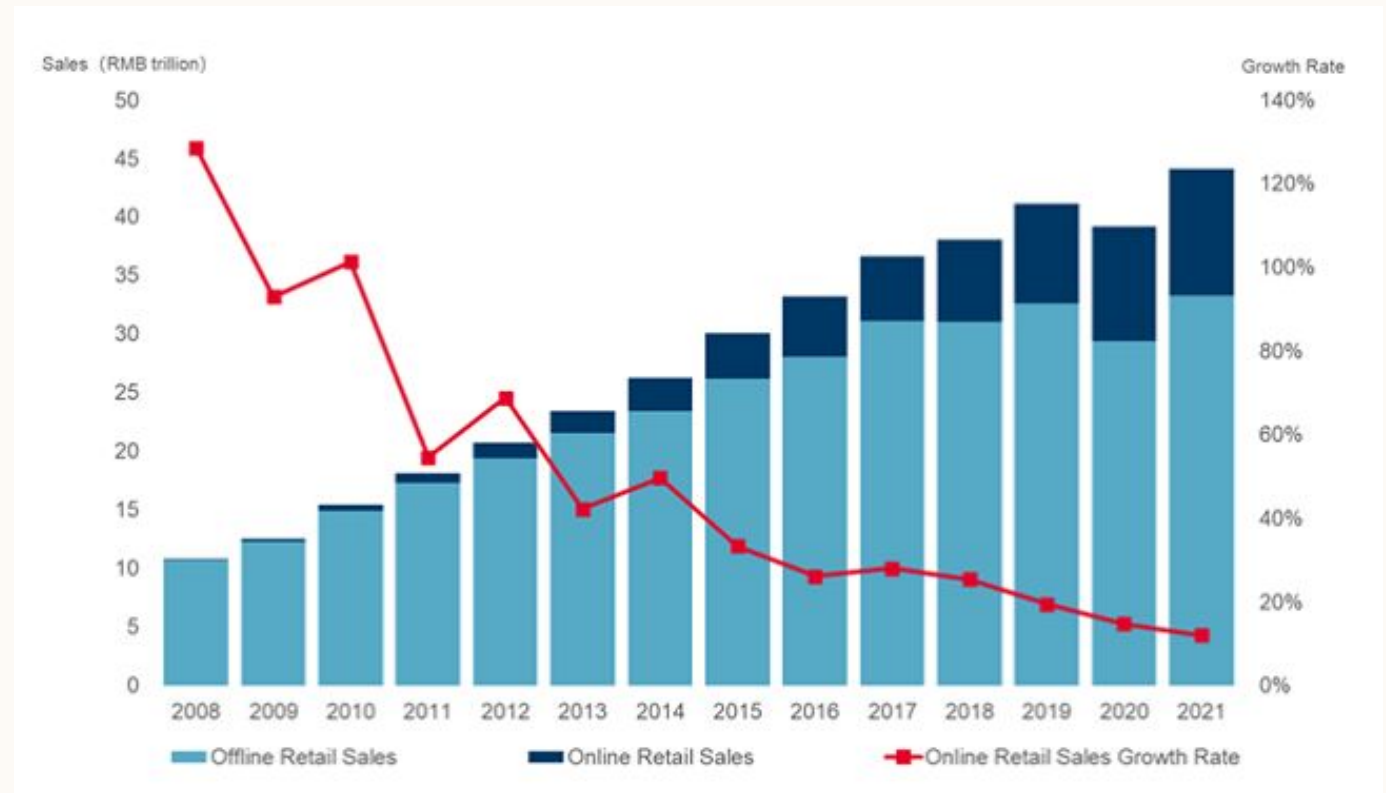
KEY OPPORTUNITIES

- The country is home to over 1.3 billion people, and its economy is rapidly growing; It opens up an opportunity for international business because of the size of its population.
- The booming economy has created a lot of jobs across the country, and many people are moving from villages to cities in search of work.



KEY CHALLENGES

- The retail sector in China is dominated by a handful of companies, especially in the electronics and appliance sectors that can dominate the market because of their extensive distribution channels.
- The nation's judicial system is one of the biggest obstacles

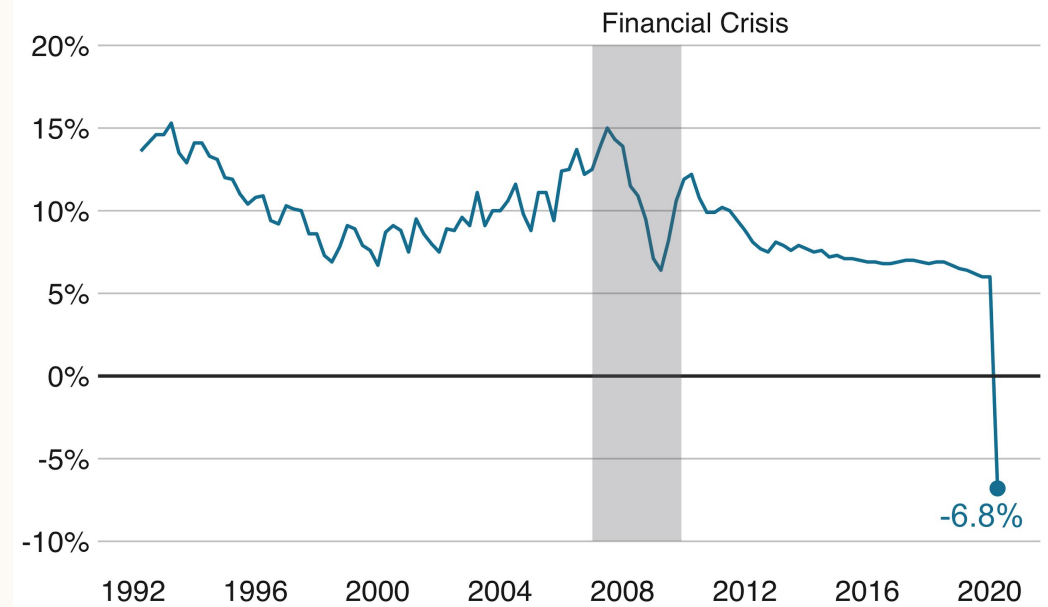


KEY CHALLENGES

- In China, contracts are frequently challenging to uphold since they might be ambiguous or conflicting.
- Additionally, corruption is an issue that is getting worse in China, where many local officials accept bribes in exchange for services like issuing company licenses

Chinese economy shrinks for the first time in decades

Year-on-Year GDP has now fallen into negative territory



Source: China's National Bureau of Statistics

BBC

KEY ISSUES UNCOVERED DOING BUSINESS

- When doing business in China, foreign enterprises encounter a number of challenges.
- The country's judicial system is one of the most major obstacles.
- China's legal system is based on socialist law and is underdeveloped.
- Many international businesses doing business in China regard corruption as a major issue.
- Before entering into any contract in China, businesses should try to mitigate these risks by hiring a lawyer who specialises in Chinese law.

STRATEGIES TO EXPLOIT

- Sainsbury should concentrate on creating a significant internet presence in the chosen developing nation.
- This implies that Sainsbury's is passing up a sizable number of potential clients in specific markets where a sizeable population has access to internet connections.
- Sainsbury should think about extending its selection of such products in order to meet China's growing demand for healthy and organic food items.
- There are currently only about 500 supermarkets in the nation, which is a small amount compared to the approximately 15,000 outlets in Western Europe and the USA.
- In order to capture a larger portion of the market and boost sales, Sainsbury's must grow its network of stores.

STRATEGIES TO EXPLOIT

- Sainsbury's should take into account giving its staff more flexible work schedules if it wants to remain competitive in the market.
- Many Chinese businesses are now realising that a longer workday does not always equate to more productivity because tired employees may become distracted and less focused.
- Additionally, Sainsbury has to concentrate on establishing a potent consumer loyalty programme in the chosen developing nation.
- To support this, Sainsbury's is spending more money on marketing and advertising.
- The campaign will assist the business in reaching China's expanding middle-class of consumers.

CONCLUSION

In this presentation, the key advantages and disadvantages of Sainsbury's in China were discussed and some recommendations on how to improve the company's performance in this market were also given. Sainsbury's should concentrate on building a strong internet presence in the chosen emerging market. As a result, the company will be able to contact a greater number of potential clients and make more revenue. Sainsbury's has a sizable fan base on Facebook, Twitter, and other social media platforms. However, the company has yet to establish an online presence in developing countries where many people have access to the internet. This suggests that Sainsbury's is missing out on a large number of potential customers in individual markets where a sizable population has internet access.

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