

International Business LCMB7014

AstraZeneca International Business in India



Student name: Priyanka Mithil Raval

Student Number: 2225567

Lecturer: Dr Hossein Shokri

Submission Date: 21/08/23

Table of Contents

Introduction.....	2
Company Background	2
Company's Objectives and Strategies.....	3
Countries' Specifications	4
Home Country	6
Host Country	8
External Analysis	8
A Comparative PESTEL Analysis	9
Industry Five Forces.....	11
Market Analysis	13
Host Country Analysis.....	15
Country's National Diamond	15
Country Business Risks.....	16
Internal Analysis	18
Global value chain.....	18
SWOT analysis.....	20
International Strategies	21
Entry Modes.....	23
Corporate Social Responsibility	24
Conclusion	25
References.....	Error! Bookmark not defined.
Appendix.....	Error! Bookmark not defined.
Appendix 1:	Error! Bookmark not defined.
Appendix 2:	Error! Bookmark not defined.

● Introduction

This report includes critically analysed the AstraZeneca company's international business in India. This report gives information about how company started , who found it, company's objectives, strategies¹ for the succeed and how this company started in India rather than UK. This report shoes company's critical analysis of external factors like PESTEL analysis, five forces model, market analysis internal analysis and SWOT analysis. Also, it includes countries business risk like political risk, legal risk and economical risk.

International Business

International commerce has an impact on our day-to-day life, as the opening instance demonstrated. The practice of businesses engaging in commerce and investment across international borders is referred to as international business. We also call it cross-border business since it promotes doing business across international borders. On a global scale, businesses plan, source, produce, sell, and engage in other value-adding operations. They look for international clients and collaborate with international business partners .

Governments and international organizations also engage in international commercial activity, even though private companies account for the majority of it. 1 Companies and countries trade a wide variety of tangible and intangible resources, including goods, services, money, capital, technology, know-how, and labour. The primary focus of this book is on a single company's foreign business operation (Cavusgil, 2017).

Company Background

Pharmaceuticals for prescription are produced, established, and marketed by AstraZeneca PLC (often known as AstraZeneca or "the company"). The firm offers drugs for a range of therapeutic conditions, including cancer, cardiovascular, renal and metabolic illness (CVRM), respiratory, inflammatory and autoimmune, infectious and vaccine-related, and neurological disorders. Accolate, Casodex, Byetta, Diprivan, Faslodex, Zoladex, Tagrisso, Iressa, Symbicort, Pulmicort, Lynparza, Nexium, and Onglyza are some of the brand names under which AstraZeneca sells its goods. The business uses wholly-owned regional marketing firms, regional representative offices, and regional distributors to promote its goods to primary care physicians and experts. It operates in the Asia, Africa, Europe, and the Americas. Cambridge, Cambridgeshire, in the United Kingdom, serves as the company's headquarters (Marketline, 2023).

- Net Profit Margin

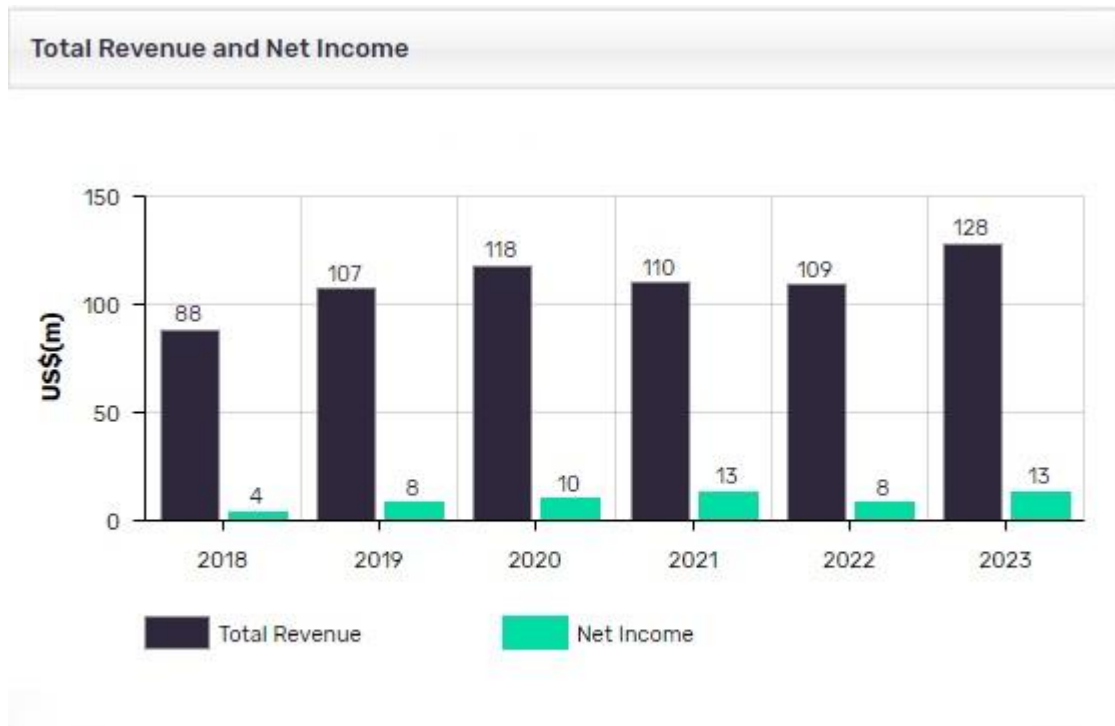
7.41 %

2370.00% 2021 vs 2020

- M Cap *

	\$214,167.08 m
• Enterprise Value/Sales *	5.4
• No. of employees	83,500

(Marketline, 2023)



Source : (Marketline, 2023)

Vision

Every day, they are driven by a great desire to assist people all across the world. To achieve this objective and brighten the future even more, they are always seeking to push the boundaries of our capabilities. people will have the flexibility to defy convention here in order to accomplish the seemingly impossible (Astrazeneca, 2023).

Company's Objectives and Strategies

● Objectives

The company's main ambition is to follow the science to light on, develop and deliver life-changing treatments that transform outcomes and surge the potential for cure. they are dedicated to operating sustainably, in a way that recognizes the interconnection between business development, the requirement of society and the restriction of our planet.

“We push the boundaries of science to transfer life-changing medicines” .

“We chase the science. We put patients first. We play to succeed. We do the right thing. We are entrepreneurial” (Astrazeneca, 2023).

● **Strategies**

This company well focused on creating genuinely innovative medicines and make better access to them. In this way, they deliver the greatest benefits to patients, healthcare system and societies worldwide.

this firm three most important considerations designed to deliver our progress through innovation strategy (Astrazeneca, 2023).

1. Science and Innovation

Creating the future generation of therapeutics utilizing an array of drug modalities, for instance, advanced biological, nucleotide-based and cell therapies.

Most powerful in convergence of science, data and technology.

Make progressive our pipeline (Astrazeneca, 2023).

2. Growth and Therapy Area Leadership

Leveraging our creative science to create a more personalized, precise and accessible healthcare experience.

Building industry-leading growth across our therapy areas and regions.

Ongoing to implement our operations 2025 programme (Astrazeneca, 2023).

3. People and Sustainability

Proceeding to make AstraZeneca a great place to work.

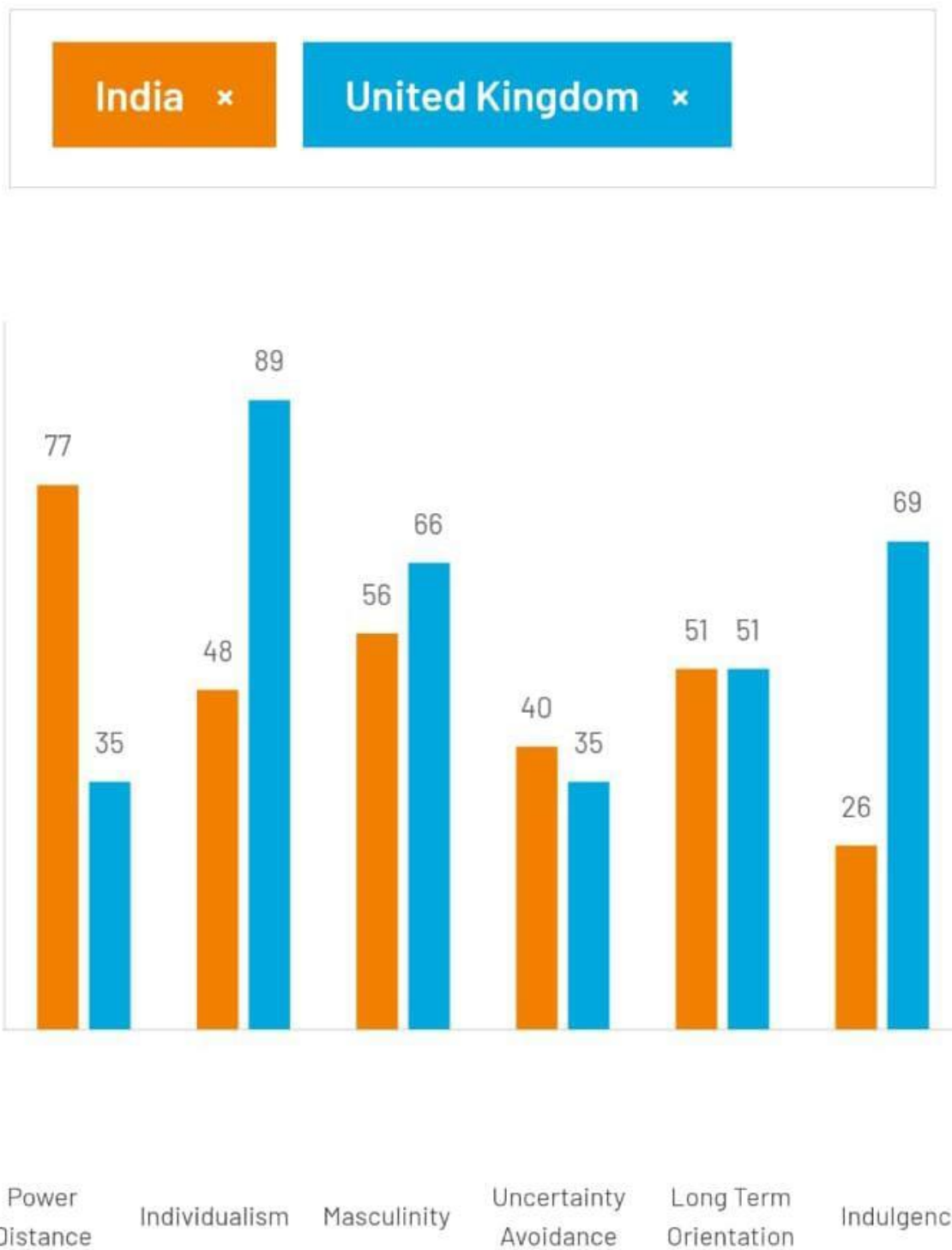
Harnessing the power of science and innovation in ways that positively impact patients, healthcare systems, and the environment.

Making it effortless to work across our group to deliver sustainable growth.

Verifying we operate in the well turned out way, improving the speed of delivering of medicines to patients through our future of work initiative (Astrazeneca, 2023).

Countries' Specification

Astrazeneca considers a variety of factors while conducting business abroad, including the needs of the home nation (the United Kingdom) and the host country (India). Here are a few important variables for each country.



Source: (Hofstede Insights, 2023)

The UK has one of the highest individualist scores (89), yet it ranks lower on the PDI scale (35), which measures how much inequality there should be between individuals. India has a

high score on this dimension (77), suggesting that it values hierarchy and top-down organizational structures. India only earns a score of (26) in this area, indicating that it has a conservative culture (Hofstede Insights, 2023).

Home Country

A cutting-edge worldwide R&D centre, The Discovery Centre (DISC) in Cambridge, UK, enables the execution of our research-led approach and the transformation of science into medicine. At AstraZeneca UK, we have an amazing pipeline of projects and an equally admirable commitment to using that pipeline to collectively benefit lives. In our UK locations, we have an 8,300-person team of passionate co-workers from 70 various nations working together to offer better medicines to patients throughout the globe (Astrazeneca, 2023).

- Sustainability: of our research-driven business strategy and the healthcare system
- Value: shows the clinical value of our medications to patients, as well as their wider influence on society and the healthcare system's ability to save money by avoiding the need for extra medical intervention.
- Access: working with payers and providers to find solutions that will provide ongoing access to our medications
- Flexibility in pricing to account for variations in health system requirements and payer capacity(Astrazeneca,2022).

They will be motivated to develop and advance in your own manner while forming bonds with those around you and taking part in our feeling of community. At AstraZeneca, your life is determined by you, and we provide direction. Additionally, they integrate our strategy on the following four guiding principles to ensure that you and all of our employees have a uniform experience on a worldwide level.

Wherever feasible, our selection is flexible, allowing you to select the advantages that are most advantageous to you. Health care, life insurance, long-term savings, and, in many markets, a variety of perks that you may customize are typical benefits (Astrazeneca, 2023).

Host Country

The advantages and possibilities for AstraZeneca in India are numerous. While the youthful population is expanding, urbanizing, embracing, and accelerating digitalization, there are also health problems that need to be addressed. Cardiovascular and metabolic disorders affect a larger section of the population, and the nation, regrettably, has one of the highest rates of diabetes in the world. These elements work together to provide AstraZeneca the opportunity to have a significant influence on the advancement of therapeutic solutions through innovation and the effort to reduce the constraints on the healthcare system, all the while being disruptive and inventive.

The Indian pharmaceutical market is expected to keep expanding and become more significant; estimates indicate that by 2022, the market would be worth USD 26 billion. Both public and private sector participants acknowledge this rise (BUSINESS SWEDEN, 2022).

Financial performance: Total Revenue \$22,295m, up 4% despite a reduction of \$2,181m from COVID-19 medications (H1 2023 values unless otherwise specified, growth statistics at CER)⁶ Total Revenue grew 16% and Product Sales climbed 15% when COVID-19 drugs were excluded. Total Revenue from Oncology drugs increased 22%, CVRM⁷ 20%, R&I⁸ 10%, and Rare Disease 12%.

The drop in sales of lower margin products is reflected in the Core Product Sales Gross Margin⁹ of 83%, an increase of three percentage points. COVID-19 medications, production costs from earlier times, and the continual movement in the mix toward more specialized medications.

Q2 2023: Core The previously disclosed gain of \$712 million from an update to the contractual arrangements for Beyfortus (nirsevimab) was included in other operating income and expenditure (Astrazeneca, 2023).

External Analysis

Examining a company's industrial environment through external analysis entails taking into account elements including competitive structure, competitive position, dynamics, and history. Macroeconomic, global, political, social, demographic, and technical analysis are all examples of external analysis (Corporate Finance Institute, 2023).

A Comparative PESTEL Analysis

An analytical framework known as a PESTEL study is frequently used to assess the business environment in which a corporation operates. Political, Economic, Social, and Technological (PEST) analysis was the term used in the past to describe the framework; more recently, the framework's scope was expanded to incorporate environmental and legal considerations (Peterdy, 2023).

	INDIA	UNITED KINGDOM
Political	• India's local governments are important. • Adapting policies to the new administration • Legislative Procedures • tax regulations • Timeline and resource allocation for the government	• Stability • Uncertainty • governing structure • government pressure groups • Transparency • Trade regulations
Economic	• India has access to essential infrastructure • Financial Cycles • Workforce skill level in India's market • Inflation rate	• How effectively financial markets operate • economic expansion rate • Inflation • Inflation and exchange rates • Labour market demand and supply

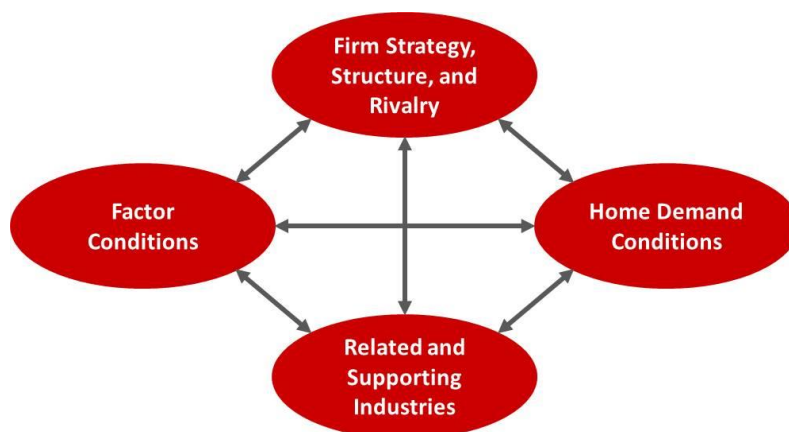
		• Industry lifecycle stage
Social	• perspective on health and safety • Demographics • Migration • availability of key services • social hierarchy and expectations	• Consumption patterns • Demographics • social justice • social and cultural conventions
Technological	• development of technology • Protection of intellectual property and patents • New technological advancements used by AstraZeneca Pharma's rivals • India's macro- and micro-level investments in research and development	• technological framework • technological advancements • investigation and creation
Environmental	• customer protests • The expense of running AstraZeneca Pharma is also increased by the frequent inspections by environmental regulators. • AstraZeneca Pharma's operational costs are also being impacted	• restrictions on the environment • The expanding use of renewable energy • Industry standards for resource efficiency, waste management, and recycling • Weather

	by the weather as a result of investments made to increase the supply chain's flexibility.	
Legal	• How long do business cases in court last? • governing data protection • Environmental regulations and rules • Corporate Laws (Embapro, 2022)	• Employer regulations • legislation governing intellectual property • regulations that safeguard consumers (Murphy, 2021)

Industry Five Forces

Porter's Five Forces Model :

The bargaining power of buyers, the bargaining power of sellers, the threat of substitutes, the threat of potential entrants, and the threat of existing competition are among the elements that might influence how a business is positioned in a given sector. Depending on the business, a danger may be of varying relevance (Goyal, 2021).



Source: (John Daniels, 2019)

Threats of new entrants

The introduction of AstraZeneca's patented cancer treatment medication Tagrisso increased its market share by 59% in developing markets and brought in \$4.328 million from global sales. AstraZeneca has substantial strength in the R&D of new medicines.

Similar results were seen with the introduction of Symbicort, which had a 23% increase in sales in the US market and produced \$2.721 million in revenue worldwide.

AstraZeneca also has a sizable advantage in the brand's goodwill, which is worth \$11.845 million .

Drug effectiveness and quality, which are based on years of successful R&D, are what pharmaceutical businesses compete on. As a result of its strong brand reputation, AstraZeneca has a greater competitive edge over new competitors. According to studies, brand image affects customer behaviour by increasing consumer desire for the brand .

Nevertheless, the danger posed by new competitors is minimal because of the high costs involved with R&D, the high likelihood that clinical trials would be ineffective, and the protracted review procedures by regulatory bodies that impede the timely marketing and distribution of new drugs (Donald, 2022).

Threats of new entrants is low.

Bargaining Power of Suppliers

In the pharmaceutical sector, suppliers' negotiating strength ranges from moderate to poor. High-quality inputs and raw materials are needed by AstraZeneca and other pharmaceutical businesses, but there are many vendors accessible.

Bargaining power of suppliers is medium.

Bargaining Power of Buyers

Although there is an influx of generic versions of branded medications, makers of branded medications do not give in to pressure to lower costs, which reduces buyers' bargaining power . (Donald, 2022).

Bargaining power of buyers is low.

Threats of Substitute Products or Services

In May 2022, AstraZeneca will have to defend and keep the exclusive rights to Tigris, its highest revenue-generating medicine, for the treatment of cancer.

Because the flood of generics will result in a fall in sales, the danger of alternatives is significant. According to studies, the entry of generic medications lowers the demand for name-brand medications.

Despite the fact that patients have acknowledged the financial advantages of generic medications, research has revealed that consumers believe branded medications to be more dependable and effective than their generic counterparts (Donald, 2022).

Threats of substitutes products or service is high.

Rivalry among the Existing Competitors

The impressive R&D capabilities of AstraZeneca result in innovative drugs like Tagrisso (Osimertinib), the first adjuvant therapy for non-small cell lung cancer whose tumours have a certain genetic mutation. Additionally, the UK Government's Medicines and Healthcare Products Regulatory Agency granted Tagrisso its first approval in 2021.

As one of the top five pharmaceutical companies offering lung cancer therapy, AstraZeneca does so by utilizing cutting-edge research and technology. Due to the low number of pharmaceutical companies offering cancer treatments, the industry is an oligopoly with a high entry barrier and considerable R&D and clinical inefficacy risk (Donald, 2022).

Rivalry among the existing competitors is high.

Market Analysis

Market size

Capitalization: \$212.66 billion

AstraZeneca's market valuation was \$212.66 billion as of August 2023. According to our statistics, this places AstraZeneca as the 46th most valuable corporation in the world by market cap. The market capitalization, often known as market cap, is a measure of a firm's value that takes into account all of the outstanding shares of a publicly listed company (CompaniesMarketcap, 2023).

Competitors in the market

One of AstraZeneca's main rivals is GSK, which is followed by Dechra Pharmaceuticals, Haleon, Smith & Nephew, Hikma Pharmaceuticals, ConvaTec Group, Mediclinic International, BTG, Abcam, and UDG Healthcare. These companies are all part of the "medical" sector (Marketbeat, 2023).

Key Success factors:

Our values and behaviours

Our shared values guide our interactions and the actions that make us successful. They direct our choices, establish our values, and support AstraZeneca's strong culture at AstraZeneca (Astrazeneca, 2023).

We follow the science

advancing scientific frontiers and collaborating inventively with partners and colleague

We put patients first

attempting to comprehend patient demands and taking them into account in every choice

We play to win

assembling winning teams that are diverse, inclusive, and high-performing

We do the right thing

implementing strong ethical standards in all facets of our worldwide operations

We are entrepreneurial

acting quickly, bravely, resolutely, and taking calculated risks (Astrazeneca, 2023).

Market Structure:

Emerging Markets Strategy

We have a three-pillar strategy in Emerging Markets, which was originally built upon the China strategy of Expansion, Innovation and Partnership (Astrazeneca, 2023).



Source: (Astrazeneca, 2023d)

Market Trends:

Over half a decade, AstraZeneca Pharma India managed to grow its earnings per share at 38% a year. This EPS growth is higher than the 17% average annual increase in the share price. Therefore, it seems the market has become relatively pessimistic about the company (Simply Wall St, 2023).

Host Country Analysis

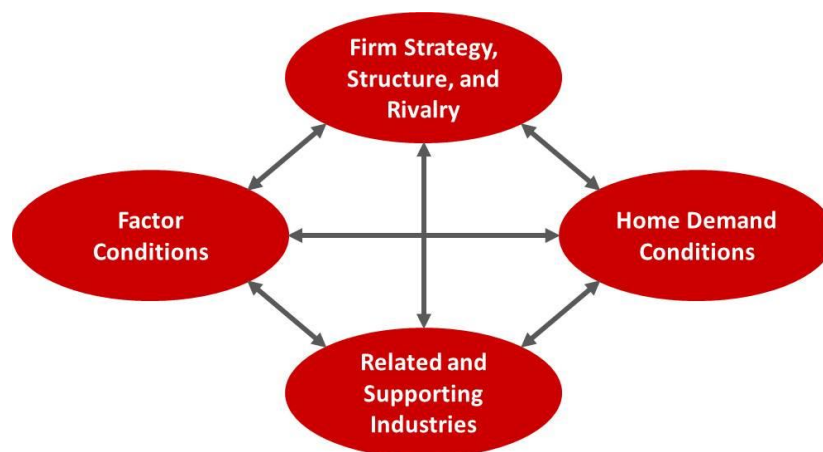
National Diamond

The diamond of national competitive advantage:

The notion of "the diamond of national competitive advantage" asserts that four factors—demand circumstances, factor conditions, linked and supporting industries, and firm strategy, structure, and rivalry—are vital to achieving competitive dominance (John Daniels, 2019).

These factors have been discussed in the context of various trade theories, but how they interact influences the creation and maintenance of competitive advantages. In order to comprehend how and where internationally competitive organizations emerge and survive, it is helpful to understand the theoretical framework (John Daniels, 2019).

Facets of the diamond : Typically, for a country's industry to achieve and retain worldwide dominance, all four factors must be positive .



Source : (John Daniels, 2019)

Country's National Diamond (India)

Factor Conditions

Generally speaking, things for AstraZeneca in India are favourable. The workforce in India is sizable and educated, which is advantageous for the pharmaceutical sector. Additionally, the nation is home to a sizable number of elite academic institutions that turn out highly qualified workers. The Indian government has made significant investments in R&D and education, which has fostered an atmosphere that is innovative (Sneha Bhat, 2020). Additionally,

AstraZeneca may be able to reduce production costs because to India's comparatively inexpensive cost of labour.

Demand Conditions

AstraZeneca's prospects in India are likewise favourable. The burgeoning middle class in India has increased consumer spending power, which has increased demand for pharmaceutical goods. The populace of the nation is likewise sizable, which offers AstraZeneca's products a sizable market (Sneha Bhat, 2020).

Related and supporting industries

highly advanced in India, especially when it comes to generic medications. India is renowned for its skill in the manufacture of generic medications, which has helped to foster a favourable climate for the pharmaceutical sector. The effective distribution of pharmaceutical items is facilitated by India's advanced logistics and transportation infrastructure .

Firm strategy, structure, and rivalry

India's are complicated. Despite India's highly competitive pharmaceutical market, there are still substantial entrance obstacles. Foreign businesses may find it challenging to join the Indian market due to the country's stringent regulations and intellectual property rules. AstraZeneca has been able to overcome these obstacles, though, by collaborating with regional businesses and funding R&D in India (Sneha Bhat, 2020).

Overall, AstraZeneca benefits from the National Diamond framework in India. The nation benefits from favourable factor circumstances, a sizable and expanding market, and well-developed linked and supporting sectors. Regulatory and intellectual property restrictions, as well as the industry's fierce competitiveness, present additional important difficulties. The success of AstraZeneca in India will depend on its capacity to overcome these obstacles while capitalizing on the favourable market circumstances.

Country Business Risks

For multinational corporations (MNEs) like AstraZeneca, India offers tremendous prospects as one of the economies with the fastest growth rates in the world. These opportunities do,

however, bring with them business hazards that must be identified and managed. The political, economic, legal, and cultural risks that AstraZeneca confronts in India are covered in this section along with other commercial hazards.

Political Risk	Economic Risk
The political climate in India is marked by a high degree of red tape, bureaucracy, and regulatory barriers, which can provide substantial challenges for international investors. With multiple federal and state-level rules controlling corporate activities, India's regulatory environment is complicated (Oberhauser, 2019). Additionally, the Indian government has a history of making abrupt policy changes, which can be unsettling and unstable for the business climate. Additionally, the governmental system in India is rife with corruption and bribery, which poses serious dangers for MNEs doing business there.	The COVID-19 pandemic had an impact on India's economy, which is expanding quickly with a GDP growth rate of 4.2% in 2019–2020. But by 2021 (Pravakar Sahoo, 2020), India is anticipated to bounce back and expand profitably, according to IMF projections. However, a considerable section of the population lives in poverty, and India's economy is also marked by stark economic disparity. The nation also confronts serious infrastructural issues, including as weak electricity and transportation systems. These elements can make doing business in India more expensive and provide serious obstacles for MNEs like AstraZeneca.
Legal Risk	Cultural Risk
India has a complicated legal system that combines Indian statute law and British common law. The legal system is overworked, which causes drawn-out court cases and makes it difficult to enforce contracts and intellectual property rights (Gagan Deep Sharma, 2020). In addition, a variety of complex federal and state rules must be followed by MNEs doing business in India.	India has a rich cultural landscape with 22 official languages and many different ethnic groupings (The Times Of India, 2021). For MNEs attempting to comprehend and manage India's cultural terrain, this variety can provide considerable obstacles. Additionally, developing fruitful connections with local partners and workers might be difficult due to India's hierarchical and status-conscious society.

Internal Analysis

Global value chain

The evaluation of an MNE's strengths and shortcomings is framed by value chain analysis. By doing this, managers are guided in their breakdown of the elements and drivers of the internal cost structure. The ability to relate resources and capabilities to a cost leadership, differentiation, or integrated strategy is highlighted by value chain analysis. In the case of cost leadership, it highlights the capability and resource potential to automate value-adding processes. When it comes to difference, it draws attention to actions that help businesses surpass rivals by offering the most cutting-edge items. It helps resolve the efficiency-effectiveness dialectic in the integrated mix scenario. Finally, value chain analysis aids in determining the cost structures of competitors and, thus, their relative competitiveness (John Daniels, 2019).

- **Global Production**

The Serum Institute, an Indian pharmaceutical company, has only been able to create around one-tenth of the 400 million doses it had promised to producing by the end of the year. This is despite an agreement being made to produce the Oxford vaccine before its efficacy had been established. Officials will draw on knowledge from nationwide polio vaccination and new born immunization campaigns, as well as the skill and flexibility employed in India's enormous general elections, where ballot boxes are delivered to the remotest parts of the country, to get the vaccine across a country known for its size and occasionally unreliable roads (Yasir, 2021).

The vaccine, known as Covishield in India, is on pace to see an increase in manufacturing, according to the Serum Institute. With \$300 million from the Bill and Melinda Gates Foundation and \$270 million from its own resources, Serum intends to increase manufacturing capacity to 100 million doses per month by February. While constructing new facilities to produce the vaccine, The Serum Institute experienced production delays. According to the company, it has already manufactured 40 million to 50 million doses for the entire world (Yasir, 2021).

In anticipation of regulatory clearances, AstraZeneca is continuing to develop its worldwide partners' production capacity to produce up to three billion doses of the vaccine globally in 2021. The vaccine may be handled, transported, and kept for at least six months at standard refrigerated temperatures (two to eight degrees Celsius/36 to 46 degrees Fahrenheit). It can also be given in regular medical settings (Astrazeneca, 2021).

- **Global Marketing**

AstraZeneca has a solid international marketing plan that is adapted to each area where it conducts business.

Product

The company's product line is diverse and includes medications for a variety of illnesses, such as cancer, respiratory conditions, and cardiovascular conditions. The business is

known for creating cutting-edge medications and makes a large investment in R&D (Astrazeneca, 2023).

Price

Investors use the P/E ratio to compare the market value of a share to the earnings potential of a company.

AstraZeneca's market share price rose from GBP5,873 in 2018 to GBP7,607 in 2019 before falling to GBP7,324 in 2020, according to the market price graph shown above.

In 2019 and 2020, the P/E ratio increases by almost 100% and decreases by 57.51%. This shows that in 2019, investors were more confident in AstraZeneca's ability to generate profits. As a result, they paid more in 2019 than in 2020 for its share price (Donald, 2022).

Distribution

AstraZeneca has a global network of distributors and partners that enable it to reach clients in various parts of the world in terms of distribution. With an e-commerce infrastructure that enables users to buy pharmaceuticals straight from its website, the corporation also has a significant online presence (Rakan Alajmi, 2023). The goal of AstraZeneca's distribution strategy is to make all of its medications easily accessible to clients, wherever they may be.

• Global HRM

Training and development

We support self-improvement through a demanding work and learning environment, regardless of whether you're motivated by furthering your studies in a particular sector or want to increase your skill in a number of various areas. For individuals who are prepared to attain their greatest potential, we offer training, development, and leadership programs. We also assist our workers in learning from outside sources. Additionally, as proponents of learning and developing together, we invite you to work with others outside of your regular work context through open-minded networks and organizations (Astrazeneca, 2023).

Wellbeing and fitness

Here, they'll discover that several CSR projects, sporting events, and competitions support team spirit. There are many different sports to participate in, including badminton, football, and cricket (which has female teams). Zumba classes, health exams, and mental

health counselling are examples of wellness programs that guarantee your peak performance (Astrazeneca, 2023).

Sourcing and staffing

Sourcing and staffing of individuals must be an appropriate investment in the future that will bring immediate and long-term value to the business.

Talent must be reviewed against specific criteria established by management, aligned with local systems and procedures, and sourced both internally and externally casting the widest net possible to ensure compliance with diversity goals and, where applicable, legislation (Astrazeneca, 2015).

People development

Managers and their respective staff must share the responsibility for continuous development.

Mechanisms must exist to clarify the need for development, identify appropriate development opportunities and establish annual individual development goals with direct coaching and feedback for each employee (Astrazeneca, 2015).

SWOT analysis

The SWOT analysis, which stands for strengths, weaknesses, opportunities, and threats, is a method used in corporate planning to evaluate how a firm stacks up against its rivals. It has become recognized as beneficial in differentiating from and carving out a niche within the larger market. It is also known as the SWOT Matrix. SWOT Analysis is a tool that may be used outside of business to analyse a person's status in relation to their competitors (Teoli, et al., 2022).

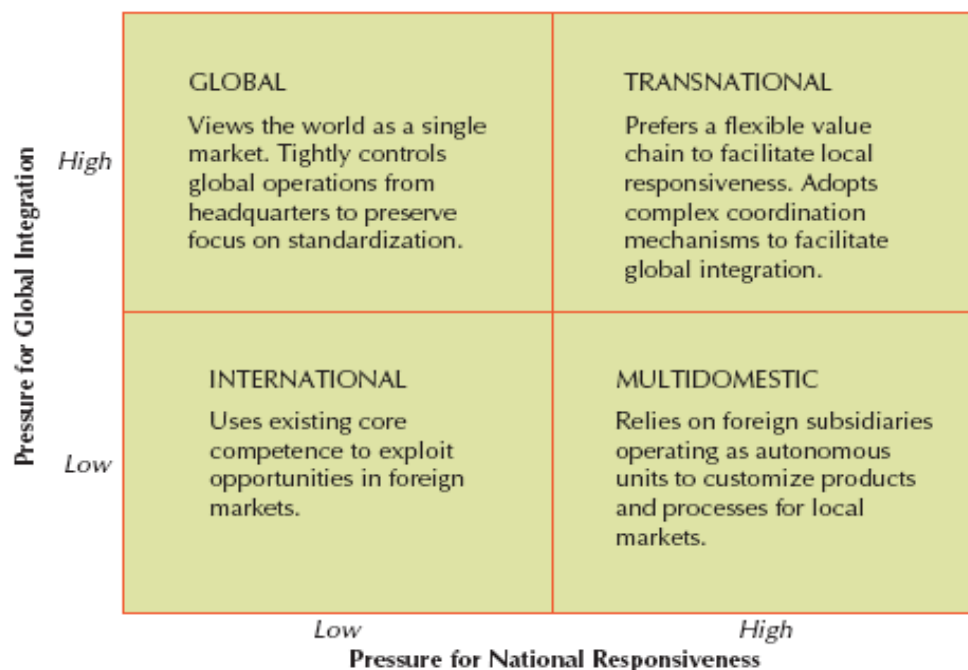
Strengths	Opportunities
• Resources for production, supply, and significant R&D • Widespread geographic presence lowers the risks for businesses • Consistent revenue growth draws in new and prospective investors.	• Strategic purchases are expected to aid the business in growing its market presence. • Drug approvals are likely to assist the business in earning extra cash. • future is favourable for the global pharmaceutical sector
Weaknesses	Threats

• Large liabilities provide a danger to operations	• unsure R&D results • flood of generic drugs • Regulation in several nations might impede revenue growth
--	---

Source : (Marketline, 2023)

International Strategies

MNEs have the freedom to offer items made for their home market with little, if any, customisation for overseas markets since these markets (the lower-left quadrant of the IR Grid) are characterized by low demands for global integration and local responsiveness. Furthermore, they frequently have few, if any, competitors that provide a competitive product. Additionally, their high level of competition makes it possible to arbitrage location effects. Managers position the MNE to carry out the global plan in light of this situation (John Daniels, 2019).



Source : (John Daniels, 2019)

The Multidomestic Strategy

In the lower-right quadrant of the IR Grid, certain MNE are under more pressure to be locally responsive but less pressure to cut costs globally. MNEs like J&J, McDonald's, Nestlé, or HSBC must modify their operations to suit the cultural, political, legal, and economic

constraints of international markets. Cost constraints influence local competitiveness but do not dictate it (John Daniels, 2019).

Customized Product Offerings

AstraZeneca has the opportunity to adapt its pharmaceuticals to the unique medical conditions and illness incidence in India. This can entail creating drugs to treat conditions more common in the Indian population, such specific infectious illnesses or non-communicable conditions like diabetes and cardiovascular issues (Astrazeneca, 2023).

Localization of Clinical Trials

It's possible that AstraZeneca carried out clinical trials in India to evaluate the effectiveness and security of its medications on the country's patients. In addition to ensuring that the goods are efficient for Indian patients, this technique would hasten the regulatory bodies' approval procedure.

Partnership with Local Institutions

AstraZeneca may have partnered with hospitals, medical personnel, and research organizations in India to gather knowledge of the country's healthcare issues and modify its strategy and products as necessary (Astrazeneca, 2022).

The Integration Responsiveness Grid

Each strategy archetype includes a distinct notion of value creation that reflects how it resolves the asymmetric strain between local responsiveness and global integration. The Integration-Responsiveness Grid illustrates this reaction by mapping this response and illustrating the interactions between the many pressures that an MNE in a certain industry faces. Therefore, it aids managers in balancing the conflicting demands of uniformity and flexibility (John Daniels, 2019).

Industry Pressure for Global Integration	High Standardization and central control are imperative across international operations	Civil Aircraft Semiconductors Bulk Chemicals Institutional Banking Automobiles	Consumer Electronics Corporate Banking Electronic Commerce Paint and Pigments
	Low Standardization and central control are useful but not necessary across international operations	Goods or services that an opportunistic company sells to foreign customers	Couture Apparel Health Care Accounting Processed Food Retail Banking
		Low Adaptation and decentralization are unnecessary to sell generic products to similar markets	High Adaptation and decentralization are needed to sell customized products to differing markets
		Industry Pressure for Local Responsiveness	

Source : (John Daniels, 2019)

Entry Modes

AstraZeneca has used a variety of entrance strategies, such as joint ventures, strategic partnerships, and direct investments, to break into the Indian market. Here are some of the techniques the business has used:

- **Joint Venture with Ranbaxy Laboratories Limited:**

In 2012, AstraZeneca and the Indian pharmaceutical firm Ranbaxy Laboratories Limited established a joint venture (Md Masrurul Mowla, 2014). AstraZeneca India Private Limited was the name of the joint venture, which was created with the purpose of creating and developing pharmaceutical goods for the Indian market.

- **Strategic Alliance with Torrent Pharmaceuticals Limited:**

AstraZeneca and Torrent Pharmaceuticals, a pharmaceutical firm and manufacturer, have a licensing and supply agreement in place. AstraZeneca and Torrent Pharmaceuticals have a licensing and supply arrangement via which Torrent will provide AstraZeneca with a variety of generic drugs for developing countries. This partnership follows earlier agreements made by major pharmaceutical firms to work with producers of generic medications to boost their product presence in developing regions. AstraZeneca has joined a growing group of

pharmaceutical giants that are creating alliances with pharmaceutical and industrial firms in developing economies by teaming with Torrent (Pharmtech, 2010).

- **Direct Investment:**

AstraZeneca and Torrent Pharmaceuticals, a pharmaceutical firm and manufacturer, have a licensing and supply agreement in place. AstraZeneca and Torrent Pharmaceuticals have a licensing and supply arrangement via which Torrent will provide AstraZeneca with a variety of generic drugs for developing countries. This partnership follows earlier agreements made by major pharmaceutical firms to work with producers of generic medications to boost their product presence in developing regions. AstraZeneca has joined a growing group of pharmaceutical giants that are creating alliances with pharmaceutical and industrial firms in developing economies by teaming with Torrent (Astrazeneca, 2011).

- **Acquisition of Novexel:**

The \$430 million purchase price paid by AstraZeneca PLC, a pharmaceutical corporation, enabled it to complete the acquisition of Novexel SA. On reaching specific development milestones, AstraZeneca will also be entitled to pay an extra \$75 million. The Goldman Sachs Group, Inc., Abingworth Management Limited, 3i Gestion SA, Novo A/S, BIT, NeoMed Management AS, NIF SMBC Ventures Co., Ltd., Atlas Venture, Sofinnova Partners, and Edmond de Rothschild Investment Partners (EdRIP) all own stock in Novexel. For the transaction, Novexel received legal and financial advice from Jones Day's principal attorney Renaud Bonnet and The Goldman Sachs Group, Inc (Marketline, 2023).

Corporate Social Responsibility

The Company will carry out any one or more of the following actions as part of its corporate social responsibility program, as defined in Schedule VII of the Companies Act 2013, at the proposal of its CSR Committee and with the requisite Board approval (Astrazeneca, 2013).

1. eradicating hunger, poverty, and malnutrition;
2. promoting and enhancing health care, such as preventative, maternity, and sanitation services, and providing access to safe drinking water;
3. promoting education, including special education;
4. creating jobs, improving vocation skills, particularly for women, older people, and people with disabilities; and undertaking programs to improve means of subsistence;
5. promoting gender equality, empowering women, establishing homes and hostels for women and orphans, as well as old age homes, day-care facilities, and other amenities for senior citizens, as well as taking steps to lessen the disparities that socially and economically disadvantaged groups must contend with;

6. Fighting infections including malaria, the human immunodeficiency virus, and acquired immune deficiency syndrome;
7. Maintaining the quality of soil, air, and water while ensuring environmental sustainability, ecological balance, animal welfare, preservation of flora and wildlife, and agroforestry;
8. lowering infant mortality;
9. Preservation of the nation's artistic, cultural, and architectural history, which includes restoring historic structures, artwork, and locations; establishing public libraries; and fostering the growth of traditional crafts and arts:
11. Encourage the growth of sports and athletic endeavors, particularly those for physically disabled or differently abled people;
12. Donations or financial support given to central government-approved technological incubators housed within university institutions; 14. Rural development initiatives.

With the caveat that CSR initiatives, programs, or activities that primarily benefit Company workers and their family are not to be regarded as CSR activities.

Additionally, any donation made to a political party in accordance with Section 182 of the Act is not regarded as CSR activity (Astrazeneca, 2013).

Conclusion

In this research, AstraZeneca's activities in India were examined, along with a corporate overview and a PESTEL analysis of outside variables impacting those operations. It also covered Porter's five forces analysis of the Indian pharmaceutical market and a market study of India utilizing an appropriate framework. The analysis looked at India's commercial risks as well as the National Diamond Framework of the host nation. The paper as a whole offers a thorough overview of AstraZeneca's activities in India and the difficulties it encounters. The paper also examined the MNE's joint venture with Ranbaxy as its entrance strategy into India. It covered the numerous steps taken by management to conduct business in India and provided justification for each step based on the risk associated with the nation.

References

- Astrazeneca, 2011. *AstraZeneca commits an additional \$100 million to venture capital arm MedImmune Ventures*. [Online]
Available at: <https://www.astrazeneca.com/media-centre/press-releases/2011/AstraZeneca-commits-100-million-MedImmune-Ventures-28112011.html#>
[Accessed August 2023].
- Astrazeneca, 2013. *AstraZeneca Pharma India limited Corporate Social Responsibility Policy*. [Online]
Available at: <https://www.astrazeneca.com/content/dam/az/Country-Sites/India/CSR->

Policy.pdf

[Accessed August 2023].

Astrazeneca, 2015. *ASTRAZENECA GLOBAL POLICY*. [Online]

Available at: <https://www.astrazeneca.com/content/dam/az/our-company/Sustainability/People-Policy-v30.pdf>

[Accessed August 2023].

Astrazeneca, 2021. *Serum Institute of India obtains emergency use authorisation in India for AstraZeneca's COVID-19 vaccine*. [Online]

Available at: <https://www.astrazeneca.com/media-centre/press-releases/2021/serum-institute-of-india-obtains-emergency-use-authorisation-in-india-for-astrazenecas-covid-19-vaccine.html#>

[Accessed August 2023].

Astrazeneca, 2022a. *Impact beyond India: The health innovation hub transforming lives worldwide*. [Online]

Available at: <https://www.astrazeneca.com/media-centre/articles/2022/India-health-innovation-hub-transforming-lives-worldwide.html>

[Accessed August 2023].

Astrazeneca, 2022b. *Sustainability Report 2022*. [Online]

Available at:

https://www.astrazeneca.com/content/dam/az/Sustainability/2023/pdf/Sustainability_Report_2022.pdf

[Accessed August 2023].

Astrazeneca, 2023a. *About astrazeneca*. [Online]

Available at: <https://careers.astrazeneca.com/about-us>

[Accessed August 2023].

Astrazeneca, 2023b. *AstraZeneca in India*. [Online]

Available at: <https://careers.astrazeneca.com/india>

[Accessed August 2023].

Astrazeneca, 2023c. *AstraZeneca in the United Kingdom*. [Online]

Available at: <https://careers.astrazeneca.com/united-kingdom>

[Accessed August 2023].

Astrazeneca, 2023d. *Emerging markets: Expansion, Innovation and Partnership..* [Online]

Available at: <https://www.astrazeneca.com/investor-relations/emerging-markets-expansion-innovation-and-partnership.html>

[Accessed August 2023].

Astrazeneca, 2023e. *Great place to work*. [Online]

Available at: <https://www.astrazeneca.com/our-company/great-place-to-work.html>

[Accessed August 2023].

Astrazeneca, 2023f. *H1 and Q2 2023 results*. [Online]
Available at: <https://www.astrazeneca.com/content/dam/az/PDF/2023/h1/H1-and-Q2-2023-results-announcement.pdf>
[Accessed August 2023].

Astrazeneca, 2023g. *Life at AstraZeneca*. [Online]
Available at: <https://careers.astrazeneca.com/life-at-astrazeneca#:~:text=We%20put%20patients%20first,We%20are%20entrepreneurial>
[Accessed August 2023].

Astrazeneca, 2023h. *our company*. [Online]
Available at: <https://www.astrazeneca.com/our-company.html>
[Accessed August 2023].

Astrazeneca, 2023i. *Our medicines*. [Online]
Available at: <https://www.astrazeneca.in/medicines/product.html>
[Accessed August 2023].

BUSINESS SWEDEN, 2022. *ASTRAZENECA PUTTING INNOVATION AT HEART OF HEALTHCARE IN INDIA*. [Online]
Available at: <https://www.business-sweden.com/insights/client-cases/astrazeneca-putting-innovation-at-heart-of-healthcare-in-india/>
[Accessed August 2023].

Cavusgil, S. T., 2017. *International business : the new realities*. 4 ed. Boston: Pearson.

CompaniesMarketcap, 2023. *Market capitalization of AstraZeneca (AZN)*. [Online]
Available at:
<https://companiesmarketcap.com/astrazeneca/marketcap/#:~:text=As%20of%20August%202023%20AstraZeneca,cap%20according%20to%20our%20data.>
[Accessed August 2023].

Corporate Finance Institute, 2023. *Corporate Finance Institute*. [Online]
Available at: <https://corporatefinanceinstitute.com/resources/management/external-analysis/>
[Accessed August 2023].

Donald, M. E., 2022. *International Journals of Economic and Business Management. Analytical review of the financial performance of AstraZeneca PLC and a detailed assessment of its macroeconomics, microenvironment, and justification of its market structure*, Volume 10(4), pp. 133-148.

Embapro, 2022. *AstraZeneca Pharma (India) PESTEL / PEST / STEP Analysis*. [Online]
Available at: <https://embapro.com/frontpage/pestelcoanalysis/10978-astrazeneca-pharma>
[Accessed August 2023].

Gagan Deep Sharma, G. T. M. J., 2020. Policy response to the economic challenge from COVID-19 in India: A qualitative enquiry. *Journal of Public Affairs*, 20(4)(<https://onlinelibrary.wiley.com/doi/full/10.1002/pa.2206>).

Goyal, A., 2021. A Critical Analysis of Porter's 5 Forces Model of Competitive Advantage. *Social Science Research Network*, 7(7 -<http://doi.org/10.1729/Journal.25126>), p. 4.

Hofstede Insights, 2023. *Country comparison tool*, s.l.: s.n.

John Daniels, L. R. D. S., 2019. *International business : environments & operations*. 16 ed. Harlow, England : Pearson.

Marketbeat, 2023a. *AstraZeneca (AZN) Competitors*. [Online]
Available at: <https://www.marketbeat.com/stocks/LON/AZN/competitors-and-alternatives/>
[Accessed August 2023].

Marketline, 2023b. *Astrazeneca Pharma India Ltd*. [Online]
Available at: <https://advantage-marketline-com.ezproxy.uwtsd.ac.uk/Company/Summary/astrazeneca-pharma-india-limited>
[Accessed August 2023].

Marketline, 2023c. *AstraZeneca Acquires Novexel*. [Online]
Available at: https://advantage-marketline-com.ezproxy.uwtsd.ac.uk/Deals/Facts/astrazeneca-acquires-novexel_gd_758519
[Accessed August 2023].

Marketline, 2023d. *AstraZeneca Plc*. [Online]
Available at: https://advantage-marketline-com.ezproxy.uwtsd.ac.uk/Company/Profile/astrazeneca_plc?swot#S0
[Accessed August 2023].

Marketline, 2023e. *Astrazeneca plc company summary*. [Online]
Available at: https://advantage-marketline-com.ezproxy.uwtsd.ac.uk/Company/Summary/astrazeneca_plc
[Accessed August 2023].

Md Masrurul Mowla, N. H. M., 2014. Entry Mode Selection, Location Choice and the Sequence of Internationalization: A Case Study on Ranbaxy Laboratories Ltd. *Asian Social Science*, 10(6)(https://www.researchgate.net/publication/278027111_Entry_Mode_Selection_Location_Choice_and_the_Sequence_of_Internationalization_A_Case_Study_on_Ranbaxy_Laboratories_Ltd).

Murphy, F., 2021. *PESTEL Analysis of AstraZeneca PLC*. [Online]
Available at: <https://www.essaypandas.com/essay/AstraZeneca-PLC-3774-Pestel-Analysis>
[Accessed August 2023].

Oberhauser, R., 2019. Rethinking Enterprise Architecture Frameworks for the Digital Age: The Digital Diamond Framework and EA Tool. 12(https://opus-htw-aalen.bsz-bw.de/frontdoor/deliver/index/docId/979/file/IJASW19_DigDmd-OberhauserFinal.pdf), p. 125.

Peterdy, K., 2023. *Corporate Finance Institute*. [Online]
Available at: <https://corporatefinanceinstitute.com/resources/management/pestel-analysis/>
[Accessed August 2023].

Pharmtech, 2010. *AstraZeneca Partners with India's Torrent Pharmaceuticals*. [Online]
Available at: <https://www.pharmtech.com/view/astrazeneca-partners-indias-torrent-pharmaceuticals>
[Accessed August 2023].

Pravakar Sahoo, A., 2020. COVID-19 and Indian Economy: Impact on Growth, Manufacturing, Trade and MSME Sector. *Global Business Review*, 21(5)(https://www.researchgate.net/publication/341867277_COVID-19_and_Indian_Economy_Impact_on_Growth_Manufacturing_Trade_and_MSME_Sector).

Rakan Alajmi, S. A. A. H. A., 2023. AstraZeneca – The Success Links Back to Organization. *Journal of Community Development in Asia*, Volume 6(1), pp. 90-99.

Simply Wall St, 2023. *AstraZeneca Pharma India's (NSE:ASTRAZEN) 17% CAGR outpaced the company's earnings growth over the same five-year period*. [Online]
Available at: <https://simplywall.st/stocks/in/pharmaceuticals-biotech/nse-astrazen/astrazeneca-pharma-india-shares/news/astrazeneca-pharma-indias-nseastrazen-17-cagr-outpaced-the-c>
[Accessed August 2023].

Sneha Bhat, K. S. M., 2020. Learning from the Giants: Critical Success Factors for Pharmaceutical EMNES from India. *Researchgate*, Issue https://www.researchgate.net/publication/338991480_Learning_from_the_Giants_Critical_Success_Factors_for_Pharmaceutical_EMNES_from_India.

Teoli, D., Sanvictores, T. & An., J., 2022. *National Library Of Medicine*. [Online]
Available at: <https://www.ncbi.nlm.nih.gov/books/NBK537302/>
[Accessed August 2023].

The Times Of India, 2021. Diversity of India. *The Times Of India*, Issue <https://timesofindia.indiatimes.com/readersblog/pracin-jain-academy/diversity-of-india-28741/>.

Yasir, E. S. a. S., 2021. *India Approves Oxford-AstraZeneca Covid-19 Vaccine and 1 Other*, s.l.: The Times Of India.