



INT 220 Business Brief Template Course Project

Section One: Drivers for Global Entry

Country Selection

India

Purpose of Global Expansion

India is currently the 2nd second-largest telecom market and has registered strong growth in the past decade and a half (Mathapati & Vidyavati, n.d.). Expanding the business to India will provide significant benefits, such as boosting sales and increased revenues. It will also establish a strong market presence by capitalizing on India's vast population and growing smartphone usage. Strategic product positioning and competitive pricing will enhance global revenues (Gielens et al., 2021) and secure substantial shares in India's smartphone market. Moreover, expanding to India will aid in diversification, reducing dependency on domestic markets by spreading operational risks across different regions. It will also encourage innovation and adaptation to meet diverse cultural preferences.

Business Impacts of Global Business

Global expansion, particularly into markets like India, requires a comprehensive strategy (Narada Gamage et al., 2020). It encompasses product adaptation, localized marketing, efficient supply chain management, and a culturally sensitive approach to human resources. Adapting business models to meet local consumer needs and preferences is crucial, and it might involve modifying product designs or adjusting pricing strategies to align with local market sensitivities. Marketing efforts must be culturally aligned, utilizing local languages and engaging with regional traditions while leveraging popular digital channels to reach and engage target demographics effectively.

Overcoming logistical challenges necessitates establishing partnerships with local distributors and integrating advanced technologies for better supply chain visibility and control. According to Stahl and Maznevski (2021), managing a global workforce demands a focus on diversity and cultural sensitivity and hiring local talent to gain insights into the consumer market and facilitate smoother market integration.

Societal Impacts of Global Business

Global business expansion into new territories significantly impacts local cultures and societies, from economic growth and job creation to potential cultural homogenization and environmental degradation. Introducing our cell phone case business in India can stimulate local economies, foster technological innovation, and lead to infrastructure development. However, it also raises concerns about cultural erosion, economic disparities, environmental harm, and exploitation of workers. Ethical considerations and responsible business practices, including corporate social responsibility (Nahar & Khurana, 2023), stakeholder engagement, cultural sensitivity, and transparency.

Cultural Considerations for Global Business



Ruth and Netzer (2020) stated that cultural intelligence and sensitivity are crucial for businesses aiming to succeed globally. They enable effective communication, enhance market strategies, build brand respect, and avoid cultural missteps. Tools and methods for gaining cultural insights into India include forming local partnerships, hiring cultural consultants, conducting academic and market research, engaging with social media and online forums, undertaking ethnographic research, and promoting language training among team members.

Section Two: Market Profile

Cultural Profile

In comparing the USA and India, trade restrictions in the USA involve tariffs and trade agreements like the USMCA (Chepeliev et al., 2018) to protect domestic industries, while India employs tariffs and is part of SAFTA (Oni, 2022), aiming for regional trade liberalization. Product regulations in the USA are stringent across sectors, emphasizing safety and environmental standards. In contrast, India focuses on standards through bodies like BIS, specifically emphasizing sectors like pharmaceuticals and agriculture. A comprehensive standard law system guides legal processes for business transactions in the USA, whereas India's mixed legal system includes civil, ordinary, and customary laws, presenting a diverse regulatory landscape.

Category	United States	India
Commonly Spoken Languages	English	Hindi, English
Commonly Practiced Religions	Diverse, Christianity is predominant	Hinduism, Islam, Christianity, Sikhism.
Power Distance Index (PDI)	40	77
Individualism Versus Collectivism (IDV)	60	24
Masculinity Versus Femininity (MAS)	62	56
Uncertainty Avoidance Index (UAI)	46	40
Long-Term Orientation Versus Short-Term Normative Orientation (LTO)	50	51
Indulgence Versus Restraint (IVR)	68	26

Political and Economic Profile

The Indian market operates under a parliamentary democracy led by Prime Minister Narendra Modi, emphasizing socialism and equity. In contrast, the US market thrives under a federal republic system, prioritizing capitalism and free market principles, with President Joe Biden at



the helm. India, classified as a developing economy, encourages government intervention in trade to protect domestic industries. In contrast, the US, a developed economy, supports minimal government intervention, favoring free trade agreements to stimulate economic growth.

Category	United States	India
Political System	Federal republic	Parliamentary Democratic Republic
Current Leaders	President Joe Biden and Vice President Kamala Harris	President Droupadi Murmu and Prime Minister Narendra Modi
Economic Classification	Developed Economy	Developing Economy
Economic Blocs Impacting Trade	NAFTA (North et al.), replaced by USMCA (United States-Mexico-Canada Agreement)	SAFTA (South et al. Area), BRICS
Gross Domestic Product	Approximately \$21 trillion	Approximately \$3 trillion
Purchasing Power Parity	High	Moderate
Gross Domestic Product Per Capita	High	Low

Legal and Regulatory Profile

In the Indian market, legal and regulatory frameworks emphasize protectionism, with stricter trade restrictions, comprehensive regulations on products/services, and a complex bureaucracy affecting business transactions. Documentation for trade and investment is extensive, reflecting its cautious approach to foreign involvement. Conversely, the US market, with its liberal economy, has less stringent trade restrictions and a more straightforward legal process for business transactions, promoting ease of doing business. However, both markets impose rigorous product safety and environmental regulations.

Section Three: Market Considerations

Monetary Considerations

Monetary considerations play a pivotal role in expanding a business into India. The fluctuating exchange rates between the U.S. dollar (USD) and Indian Rupee (INR) directly influence pricing strategies and financial forecasting (Perwej & Perwej, 2012). An acute awareness of these rates is essential for setting competitive prices while ensuring profitability.

These financial instruments provide a cushion against unexpected fluctuations, ensuring cost predictability and safeguarding margins. Consulting with financial experts to tailor these strategies to the business's needs is crucial for achieving stability and success in the dynamic Indian market (Sunder M & Modukuri, 2024).

Category	The U.S. Dollar USD	Indian Rupee INR
Exchange Rate	1 USD	83.14 INR



Management and Logistics Considerations

Adapting management and logistics to the Indian market requires a nuanced approach to human resources, embracing local cultural norms and legal requirements. Effective human resource management in India involves aligning leadership styles and operational practices with Indian business etiquette and prioritizing hiring local talent (Cooke et al., 2020).

Additionally, strict adherence to India's labor laws, covering wages, working conditions, and termination processes, is crucial. Compliance ensures ethical operations and maintains a company's positive image. Companies expanding to India must seek local legal expertise to navigate these laws effectively (Sun et al., 2021), ensuring their operations respect and comply with local regulations, fostering a harmonious work environment, and avoiding legal pitfalls.

Mode of Entry Considerations

Entering the Indian market presents unique opportunities and challenges, necessitating a strategic approach to selecting the entry mode. Joint ventures stand out for providing invaluable local insights and risk sharing, yet they might limit control over brand and operations, a significant consideration for maintaining brand integrity. Franchising emerges as a path for rapid expansion with minimized investment and risk, although it hinges on finding trustworthy franchisees and could weaken brand control (Guo, 2023). On the other hand, direct investment offers complete operational and brand control, appealing to those aiming to fully embed their vision in the market, albeit at the cost of higher risk and substantial investment (Pasquinelli & Vuignier, 2020).



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