

Global Marketing

MKTG 445

**Julie De Deus, Jordan Floyd, Brooke Jackowski,
Yara Mansour, Paul Pudimat, & Danielle Zibiri**

**Professor Amit Agarwal
21st, April 2024**

Contents

1. Executive Summary	3
1.1. Brief Overview of Project	3
2. Insights From Analysis of Local Industry Setting	3
2.1. Current State of United States Supermarket and Grocery Stores Industry	3
2.2. Trends within the Industry	4
2.3. Notable Successful Features and Challenges within the Industry	5
2.4. Key Players within the Industry	7
2.5. SWOT Analysis of the United States	8
2.6. Criteria for Final Country Selection	9
3. Insights From Analysis of Foreign Markets	10
3.1. Overview of Countries Considered	10
3.2. Factors Chosen for Analysis of Each Country	11
3.3. Austria Analysis	12
3.4. Brazil Analysis	13
3.5. Canada Analysis	15
3.6. Hungary Analysis	17
3.7. New Zealand Analysis	18
3.8. Singapore Analysis	20
4. Recommendation for Foreign Expansion	23
4.1. Country and Store Selection	23
4.2. Country SWOT Analysis	24
4.3. Recommendation for Identified Selection	25
4.4. Critical Issues with Recommendation for Identified Selection	26
5. Works Cited	29

Section 1: Executive Summary

This report aims to identify the most suitable international market for one of the three largest grocery store chains, assisting in the selection of an optimal country for market entry. Through this executive summary, the outlined steps will guide the evaluation process toward identifying the ideal market for the expansion of the grocery store chain.

Local Industry Research

- Used the IBISWorld database to find out the current state of the industry
- Found trends and history of the industry to better understand what next steps need to be taken
- Built variables based on research to find how to enter new countries

Countries

- Put assigned countries through found variables to see how the countries work
- Compared the assigned countries to the current state of the United States's view of the variables

Final Decision

- Through the analysis of countries and supermarkets, a final decision was made on which country is best for one of the big three supermarkets should enter

Section 2: Insights From Analysis of Local Industry Setting

2.1 Current State of United States Supermarket and Grocery Stores Industry

The current state of the overall industry of supermarkets and groceries is at maturity in the United States. Maturity by definition means the performance does not decline but it does not decrease severely either. The industry spends its time wavering between the two. The industry is at this stage due to various reasons. Those being; its contribution to the GDP (supermarkets have been able to boost the economy over time, but as COVID rose a significant surge occurred and has now gone down drastically as people are able to eat out and therefore grocery shop less), a saturation of the market (the increase in the number of businesses opening up that range from all sorts of categories and scales), increased technology (increased efficiency and ease of process) and more.

Research has shown that the COVID-19 pandemic has significantly affected consumer shopping behaviors. Visits to the grocery stores aren't as plentiful and additionally the quantity of fresh foods being bought have lessened as people have shifted to purchasing frozen foods. This is due to the pandemic,

during which people were incredibly isolated, shutting everyone from the outside world, forcing consumers to order their foods. As the pandemic progressed for a year, it became a regiment that individuals are now acclimatized to. Furthermore as a result of the decline in brand loyalty, consumers are no longer purchasing based on known brands or brands they used to love buying from, as a lot of purchasing has switched to online. Now, consumers tend to purchase the cheapest brand available that can be shipped to and from whatever store is closest. Aside from the development of COVID, there is a great case of nationwide inflation that has caused the prices of goods and commodities to increase by almost fifty percent.

However, as prices generally go up and overall purchasing power declines, less expensive and frozen meat is now being purchased which is reducing the value of sales. On the flip side, supermarkets and groceries that depend on profit margin per product have been able to enjoy the increased earnings of households. As a result of this rising inflation, however, mainstream supermarkets and grocery stores are faced with competitors that offer a cheaper alternative, e.g the dollar store and so on. Even as the changes in taste and value change across generations younger generations, such as Millennials and Gen-Z, are looking for more organic and natural ingredients. As a result, younger consumers now go to any competitor offering quality with a good price, such as Trader joes or Whole Foods.

To put the analysis into quantitative figures, the research can be backed by noticing the rise in groceries spending within 2020 and 2021 as in 2019 the revenue came up to \$796.4 billion dollars. As consumers entered into the era of COVID, revenue increased to 863 billion, almost a \$100 billion addition. This is evidently attributed to the rush in consumption as a result of the ambiguity surrounding the pandemic. Revenue reached an all time high but then gradually reduced in 2021 to \$857 billion, as the world emerged from COVID.

More recently, in 2023 a sharp decline in revenue occurred, dropping to \$841 billion. This is a result of post-pandemic inflation, mentioned previously. That being said, a steady increase is forecasted for 2024. This is represented in the profit margin as well for the industry, as it is shown at around 2019 when it was at 1.7%. This increased to 2.1% in 2020 and then once more decreased to then finally gain a steady increase between 2021 and 2024.

2.2 Trends within the Industry

The grocery retail landscape has undergone remarkable transformations in recent years, shaped by economic shifts and evolving consumer preferences. Following the recession of 2007–2009 and the COVID-19 pandemic, grocery stores experienced a notable increase in food sales, a trend that has persisted and additionally outpaced inflation rates since 2010. Concurrently, there has been a resurgence in market concentration among the largest retailers in the United States, with the top 4 retailers steadily increasing their market share. Despite some fluctuations, the overall trend indicates a consolidation within the industry, with the top retailers progressively dominating food sales.

Consumer behavior in the grocery sector has also undergone significant changes, particularly in response to economic uncertainties and the impact of the pandemic. While the recent drop in inflation rates has offered consumers some relief, the persistent rise in food prices has led to a substantial increase in grocery spending for many households. In response, consumers have shown a growing inclination towards seeking out more affordable options, resulting in a notable surge in the popularity of discount brands. This shift in purchasing behavior has not only reshaped consumer preferences but has also impacted market dynamics, with private and discount brands experiencing a significant increase in market share across various grocery categories.

Furthermore, the pandemic has accelerated the adoption of e-commerce channels and general implementations of technology for grocery shopping. While convenience remains a primary driver for online shopping, challenges such as high delivery fees and a preference for in-store experiences have hindered further penetration. Grocery retailers have responded by increasing their invested capital to enhance the online shopping experience and stabilize supply chains. However, labor shortages and severe margin pressures continue to pose significant challenges for the industry, prompting stores to explore innovative strategies for growth and differentiation beyond traditional retail models. As the grocery landscape continues to evolve, adaptability and innovation will be key drivers of success for retailers aiming to navigate these dynamic market conditions.

2.3 Notable Successful Features and Challenges within the Industry

Several factors contribute to the success and competitive edge of supermarkets and grocery stores. Inflationary pressures have played a significant role in driving up food prices, resulting in increased revenue for retailers. However, higher prices have also led to a decrease in the volume of goods purchased by consumers. Successful retailers navigate these challenges by strategically adjusting their product offerings and pricing strategies to cater to shifting consumer behaviors and preferences.

Moreover, supermarkets and grocery stores must adapt to changing consumer demographics and preferences to maintain relevance and competitiveness in the market. The preferences of newer generations, such as Millennials and Gen-Z, for clean, organic, and natural products have driven them to stores like Trader Joe's and Whole Foods, challenging traditional grocery retailers to offer more organic and natural options. Additionally, rising levels of price sensitivity and declining brand loyalty have prompted supermarkets to diversify their product assortments and offer competitive alternatives to meet the evolving demands of consumers.

Furthermore, the rise of online retailers, such as Amazon, has reshaped the grocery retail landscape, emphasizing the importance of convenience and technology-driven solutions. Successful retailers leverage online ordering, pickup, and delivery services to enhance customer convenience and accessibility, offering lower prices and competitive alternatives to attract and retain customers. Additionally, the adoption of innovative technologies, such as cashierless checkout systems enhances operational efficiency and improves the overall shopping experience for consumers, further cementing the success of supermarkets and grocery stores in an increasingly competitive market.

The access to a flexible workforce and effective inventory management are crucial elements contributing to the success of supermarkets and grocery stores. A highly flexible workforce allows stores to adapt to fluctuating demand and operate efficiently, especially during peak hours and extended operating times. By being able to staff as needed, supermarkets can ensure adequate coverage while optimizing labor costs. Effective inventory management is further essential for ensuring that products are consistently available for purchase, particularly during promotions or when items are in high demand. By closely monitoring inventory levels and replenishing stock promptly, supermarkets can avoid stockouts and meet customer expectations, ultimately enhancing the shopping experience and driving sales.

However, supermarkets and grocery stores still face several challenges amidst its growth. Inflationary pressures have driven up the cost of groceries and bolstered revenue, whilst additionally leading to smaller sales volumes as consumers adjust their purchasing behavior to accommodate higher prices. This trend is particularly evident in the reduced consumption of more expensive items like fresh meat, with many consumers opting for less expensive alternatives such as frozen meat. Additionally, brand loyalty has dwindled, with consumers becoming more price-sensitive and less attached to traditional grocery stores brands.

The industry also struggles with rising competition from external sources such as warehouse clubs, supercenters, and limited assortment stores, which offer cost savings and convenience that appeal to many consumers, like Costco or Sam's Club. This heightened competition has forced supermarkets and grocery stores to adopt strategies like offering significant discounts and promotions to maintain foot traffic and consumer loyalty. Furthermore, limited growth opportunities within the saturated market have spurred a wave of mergers and acquisitions among large grocers as they seek to expand their market share.

Another significant challenge facing supermarkets and grocery stores is the increasing shift towards online retailers, exemplified by the rising popularity of services like Amazon. The convenience of online ordering and delivery poses a threat to the physical brick-and-mortar stores, especially those lacking the fiscal infrastructure to offer similar services. To stay competitive, supermarkets are compelled to invest in technologies like cashierless checkout systems and subscription services for staple items, while also partnering with local producers to meet the growing demand for health-conscious and locally-sourced products. This further creates this issue of increased costs, understaffing, and higher potential for stealing.

2.4 SWOT Analysis

In the supermarket and grocery store marketing sector, the economic strength of the USA serves as a solid foundation. With the largest GDP in the world, there is a vast consumer base with considerable purchasing power, enabling supermarkets and grocery stores to thrive. This economic stability creates consumer confidence and therefore more spending, supporting sustained growth and innovation in marketing strategies, product offerings, and customer experiences. Additionally, the USA's technological prowess translates into advanced retail infrastructure and digital marketing capabilities, empowering supermarkets and grocery stores to engage with customers effectively across various channels.

Despite the economic strength, economic inequality poses challenges within the supermarket and grocery store marketing sector. The disparity in wealth distribution may result in segmented consumer markets, with certain demographics facing financial constraints that limit their purchasing power. Supermarkets and grocery stores must navigate this challenge by implementing specific marketing initiatives and pricing strategies to cater to diverse consumer segments while ensuring accessibility and affordability. Moreover, the high cost of living in the USA may influence consumer spending priorities, impacting purchasing decisions within the supermarket and grocery store sector.

Technological advancement presents significant opportunities for innovation and growth in the supermarket and grocery store marketing sector. Leveraging emerging technologies such as data analytics and artificial intelligence can enhance personalized marketing efforts, optimize supply chain management, and improve operational efficiency. Furthermore, transitioning to clean energy and packaging practices aligns with evolving consumer preferences for sustainability, offering supermarkets and grocery stores a competitive edge through eco-friendly initiatives and product offerings. Introducing strict gun laws can contribute to fostering a safer retail environment, enhancing consumer trust and loyalty.

Upcoming economic recessions pose a threat to the supermarket and grocery store marketing sector, as consumer spending patterns may shift towards essential goods, impacting sales and profitability. Supermarkets and grocery stores must adopt agile marketing strategies and cost-effective measures to navigate economic downturns effectively. Climate change-induced natural disasters represent another threat, disrupting supply chains, increasing operational costs, and potentially leading to product shortages. Proactive risk management and disaster preparedness measures are essential to mitigate the impact of such threats on supermarket and grocery store operations. Additionally, geopolitical tensions may affect trade relations and market stability, necessitating adaptability and diversification strategies within the supermarket and grocery store marketing sector.

2.5 Key Players within the Industry

The grocery store and supermarket industry is an essential element of present-day consumerism, affecting shopping habits and providing for the basic needs of millions of people across the globe. Understanding the key players in this highly competitive swiftly changing industry is crucial for stakeholders attempting to see which new markets to enter.

→ Kroger

In the industry market share, Kroger owns 19.4% of the market share. Kroger has an industry revenue of \$160.7 billion. Kroger ranks 3rd out of 5 competitors for online grocery sales, 3rd out of 5 on retail trade, and 1st out of 16 supermarket and grocery stores. Looking at Kroger's income statement, the company's revenue steadily increased through the past 4 years. Kroger holds a large amount of brands and trading names that they do business under to diversify their portfolios. Kroger continues to grow as it opens new markets through fulfillment centers. Kroger saw that the company had a successful expansion in Florida so they decided to open more in Alabama and Texas. Kroger has also announced a possible acquisition of Albertsons, their 2nd-place rivals. The purchase would need to be approved by the FTC (Federal Trade

Commission), but this would allow Kroger to better leverage economies of scale while also bringing in buying power for the company.

→ Albertsons

In the industry market share, Albertsons owns 8.8% of the market share. Albertsons has an industry revenue of \$72.9 billion, about half of Kroger's revenue. Albertsons are in fewer markets than Kroger so all we can see about them is that they rank 2nd out of 16 supermarkets and grocery stores. Much like Kroger, Albertsons has had rising revenue for the past 4 years of business. Albertsons has fewer brand and trading names than Kroger. There has been a rapid change in revenue throughout the years, the largest of which came from 2020 which saw a reported 15.8% change. Lately, Albertson expanded their portfolio by using their Own Brands to make healthier cheaper alternatives for their grocery store. Albertsons recently increased its market share through the acquisition of the Safeway chain of markets.

→ Publix

In the industry market share, Publix owns 6.1% of the market share. Their industry revenue totals to \$50.2 billion. Publix has even fewer brands and trading names, with Publix only having 3 for their company. Publix is ranked 3rd among the 16 competitors, though they are still considered an all-star. Publix has a 9% profit margin which is strong. The 2018 change in revenue is the largest we have seen with a 32.8% change. Publix flexed its CSR strength by partnering with the Audubon Society to help complete the restoration of the Everglades.

2.5 Criteria for Final Country Selection

→ Political Stability

Political stability is crucial for business operations as it ensures a predictable regulatory environment, reduces the risk of policy changes, and fosters investor confidence. A politically stable country provides a secure environment for long-term investment and growth in the grocery retail sector.

→ Physical Lay of the Land (Urban vs Rural Areas)

Understanding the geographical distribution of population centers is essential for determining the optimal location for a new grocery store. Urban areas typically have higher population densities and greater demand for convenient grocery shopping options, while rural areas may require a different approach tailored to local needs and preferences.

→ Existing Competition and Market Saturation

Analyzing the level of competition and market saturation in the target region will assist in the viability of entering the market. High levels of competition may indicate a mature market with established players, while low competition could present opportunities for new entrants to capture market share.

→ Economic Viability

Assessing the economic viability of the target market involves evaluating factors such as GDP per capita, income levels, purchasing power, and inflation rates. A strong economy with favorable economic indicators suggests greater potential for consumer spending on groceries and sustainable business growth.

→ Consumer Preferences

Understanding consumer preferences, shopping behaviors, and dietary habits is essential for tailoring product offerings and marketing strategies to meet the needs of the target market. Factors such as cultural preferences, dietary restrictions, and trends in health and wellness influence consumer choices in the grocery retail sector.

→ Regulatory Agencies

Regulatory agencies and compliance requirements in the target country are critical for ensuring legal compliance and avoiding regulatory pitfalls to understand completely. Regulatory agencies oversee various aspects of the grocery retail sector, including food safety standards, labeling regulations, and licensing requirements.

→ Market Demand

Assessing market demand involves analyzing factors such as population size, demographic trends, and consumer behavior to gauge the level of demand for grocery products. Understanding market demand helps identify opportunities for growth and expansion in the target market.

Section 3: Insights From Analysis of Foreign Markets

3.1 Overview of Countries Considered

The first country our group had to consider was Austria, located in the center of Europe, known for their rich cultural heritage and its Alps. The Alps are the highest and most extensive mountain range within Europe, covering over 60% of Austria's land.

Our neighboring country, Canada, was also one of our strong competitors. Being the second largest country, there is a vast and diverse consumer base. With a population known for their friendliness and cultural diversity, Canada functions as an ideal country for any company operating in the United States trying to enter the global market. Canada is also known for their high-tourism rates in areas like Toronto and Quebec, creating the perfect atmosphere for product-retail companies.

Since Hungary is a relatively small country, they are characterized by their distinct Hungarian culture. Distinguishable cuisines, folk traditions, religious customs, and traditional folklore are what embody this community.

New Zealand likes to advertise themselves as the “clean, green” adventure-playground; this successful marketing plan has allowed them to become a successful tourist trap. Unsurprisingly, their thriving environment makes them one of the leading countries in the exportation of agricultural goods

Brazil is known for their dense rainforests, carnivals, love for soccer, and colorful cities. Brazilians are extremely lively individuals who value their close-knit communities and tasteful food. Brazil’s consumer market reflects their diverse cultural heritages and robust community, allowing both small and large businesses to succeed.

Singapore is a vibrant island city-state located in Southeast Asia and home to various cultures, cuisines, and tourist attractions. Singapore is renownedly known for their efficiency, cleanliness, and safety.

Additionally, they have experienced rapid economic growth and development; this improvement is due to their strong desire for high-quality lives, fueling resilience and hard-work from the community.

Singapore’s atmosphere would be perfect for any company wishing to find a competitive market that will inspire greater innovations.

3.2 Factors Chosen for Analysis of Each Country

In choosing a location to place a grocery store or supermarket, there are numerous variables a company should consider. Most notably, a country’s culture, geographical location, legal framework, and political views have the biggest impact on a businesses success. Aligning with local preferences and regulations allows for a more seamless transition and profitable business.

→ Culture

Cultural differences impact the products and services that consumers prefer. If the grocery store fails to cater towards the specific ethnic or regional foods, dietary restrictions, or cooking styles, their potential consumers decrease significantly. This makes it vital that the marketing team correctly evaluates each culture and their typical habits. Understanding the cultural context allows retailers to curate a product selection that resembles their local population's desires. In absence of a thorough understanding of the potential customer base, a business will certainly fail.

→ Geographical

Geographical factors such as an urbanized versus rural setting, population density, and accessibility, play roles in deciding a grocery store or supermarket’s location. There are positives and negatives to each scenario, and it truly requires a holistic understanding of the clientele to make the final commitment. For instance, a grocery store located in an urbanized area presents the benefit of high foot traffic, but the same store in a more rural area wouldn’t have as much competition. Additionally, geographical perception aids

in optimizing distribution, as well as tailoring the layout and design to harmonize with the surrounding environment.

→ Legal

Legal and regulatory requirements vary significantly by region. A grocery store or supermarket must be aware of potential local zoning laws, health and safety regulations, licensing requirements, and additional taxes placed on products. On top of any product legalities, grocery stores and supermarkets must furthermore be conscious of regulations around labor practices. Being unable to comply with local laws will tarnish a business's reputation and potentially lead to a decrease in sales and an array of expensive legal fees.

→ Political

Political stability and general governmental policies can arguably be the most influential variable for a company expanding beyond its native country. Trade policies affect the availability and cost of goods sold. Political attitudes towards issues like sustainability, labor rights, and small business support can influence the market environment and determine a company's strategy. Political stability is essential for long-term planning and operation, whereas political instability poses risks to a company's profitability. Some countries have laws in place in order to protect customers; some of these laws require pricing transparency, honesty in advertisements, and even promotional regulations. Even a grocery store's political affiliation can impact its reputation and influence customers' opinions

3.3 Austria Analysis

In Austria there is a moderate power distance with a set hierarchy, however collaboration is still encouraged as the society is rather collective. Austrians value group harmony, however they are open to try new things as well. Greetings should be formal and simple, while elaborate or "American" greetings are reserved for family. In discussion, it is important to negate any discussion of war, religions, or stereotypical aspects. In respect to the dietary preferences and food culture, many Austrian cuisines are categorized as high calorie foods, and limited processed foods. The preference is for fish, beef, pork and occasional vegetables and fruits. Breakfast is usually the heavier meal, with warm lunches and cold dinner. However it is important to note that during lent, fish is in high demand considering the dominant Catholic culture. Irrespective of this they still make accommodations for Kosher and Halal food. Veganism is on the rise which is important to consider as well. As in any other country, Austria has their regular celebrations and festivals, they celebrate with traditional foods such as mulled wine, chestnuts, doughnuts, gingerbread, pork, veal, or even goose during Easter and Christmas.

Austria's GDP stands at USD 479 billion, with a per capita GDP of USD 52 billion. Despite being the 15th strongest economy, its overall depictions showcase steadiness rather than growth resembling that of the United States, having experienced two major dips in a decade, specifically from 2014 to 2016 and the pandemic period of 2020-2022. The inflation rate is high at 4.13%, factors contributing being; increased energy and food prices as well as post-COVID demand surges. The borrowing rate has increased by at least 3.25% with a mild recession predicted. The inflation has decreased citizens' purchasing power which will impact the US firms potential entry's. While gross savings are at 28%, Austria also faces a trade deficit. The euro to dollar exchange is favorable for US investment despite challenges.

In Austria, the Banking Act of 1934 urges transparency in the banking industry to protect creditors and debtors. The Capital Market Act focuses on protecting financial securities and investments in Austria. With the increase of online grocery sales as stated in the industry state analysis, the Consumer Protection Act, emphasizes consumers rights to withdraw compensation and get fair returns, the Unfair competition act regulates advertising promotions and business practices that include E-commerce. As for the laws guiding export and imports, the Austrian Food Safety and Consumer Protection Act of 2006, sets rules on food hygiene safety and control. Being as Austria is under the EU, maintaining a solid relationship will affect the entry of US firms.

Austria has long been known to be a democratic society, Austria's head of state is the president who was elected for 6 years and can rule for two terms. The chancellor is then not elected as would be in America, but is appointed by the president as is the chancellor's executive cabinet which administratively supports the chancellor and the president. Austria is made up of 9 states divided into districts and cities. They have two main parties which are the People's Party and the Social Democratic which guided decisions on ministries, welfare and much more however as time passes smaller parties are starting to be noticed such as the freedom party of Austria. A lot of Austria's political environment is as a result of the development of the European Union under them they follow rules and regulations which affect their standing with countries such as the United States.

3.4 Brazil Analysis

Brazil's culture reflects the blending of Indigenous, African, and Portuguese heritage. Music, dance, art, and literature play a central role within their culture. Brazil is a country heavily controlled by personal connections, who you are is more important than actual ability in some cases. Since societal promotion is dictated by those already at the top, wealth works similarly; only 10% of the population holds 80% of the

country's wealth. When it comes to cultural food habits, Brazilians are known for caring for their fertile land and rich biodiversity, which in turn provides them with an array of livestock and crops. Brazil is one of the world's largest producers and exporters of agricultural goods like soybeans, coffee, sugar, and meat. Brazilians value fresh ingredients because they typically cook from scratch. Supermarkets are commonly used, but street markets known as "feiras" occupy most of the foot traffic in Brazil. Brazil's official language is Portuguese, with only 5% of the population fluent in English. Of course, this could make entering their market difficult for an American-based company. Another significant difference between American culture and Brazilian culture is that they hold a strong value on social connections and community involvement whereas Americans are more family-oriented and less socially driven.

Brazil's geographical advantages make them a strong competitor in the foodservice and retail department. They are the largest country in South America with a high population density, making it ideal for grocery stores and supermarkets. Brazil is also home to the Amazon Rainforest, a huge strategic benefit for companies to consider when dealing with sustainable products and ethical consideration in marketing. One difficulty within Brazil is their varying time zones; the country spans over four time zones, occasionally making it difficult to communicate. Much like the United States, Brazil is rich in natural resources like minerals, oil, natural gas, and agricultural products which plays a vital role in driving their economies. In the United States population and economic activity is evenly distributed across the country, aside from New York City and LA which act as economic hubs, but in Brazil, the states of São Paulo and Rio de Janeiro contain 30% of the population and economic activity.

Brazil has an extensive and comprehensive legal framework governing marketing, the sale, and exchange of goods. The primary objective of these laws is to protect consumers and ensure fair competition in the marketplace. The *Consumer Protection Code* is one of their fundamental pieces of legislation that ensures transparency and honesty in advertising and marketing, prohibits false or misleading information, and provides guidelines for sales practices. Businesses are required to inform customers of any potential risks associated with a product. The *Competition Law* works to regulate the competition between markets to prevent anti-competitive practices like monopolies or cartels. Brazil also has laws and regulations to maintain quality products being imported and exported from Brazil; all goods are subjected to custom inspections, ensuring compliance with health, safety, and technical standards.

Much like the United States, Brazil is a federal republic with democratic governing structures. They further have a president who serves as the head of state and government. In terms of political parties, in 1979 a multiparty system was created when the country's military dictatorship disbanded the enforced

two-party system. Currently, Brazil identifies five parties which make up the absolute majority of seats in the Senate. Brazil's current political status is marked by challenges; issues like corruption and political scandals have led to public protests and a call for political reform.

3.5 Canada Analysis

Canada's cultural diversity, fueled by a significant immigrant population, shapes varied food preferences and fuels demand for various international and ethnic foods in supermarkets. The nation's culinary landscape blends traditional indigenous fare with British and French influences alongside a burgeoning interest in global cuisine with the official languages being English and French. Canadian consumers prioritize health and sustainability, gravitating towards fresh, organic, and locally sourced foods. The country's diverse climate underscores a strong emphasis on seasonal eating, with consumers valuing access to fresh produce year-round. This demographic mix, spanning urban centers and rural communities, manifests in distinct grocery shopping behaviors and preferences. Canadians appreciate value-driven offerings, making them receptive to promotional initiatives and loyalty programs within the retail sector.

Canada is the second-largest country in the world, covering more than 6.2 million square kilometers (3.8 million square miles) of northern North America. The country's southern border is nearly 8,850 km (5,500 mi) long, shared with the northern border of the United States, and is the longest binational border in the world. Canada stretches across North America from the Atlantic to the Pacific Ocean, and north to the Arctic Ocean. Canada ranks 9th in terms of GDP at \$2.140 trillion with a per capita of \$55,646. Overall U.S. exports of agricultural products to Canada were valued at \$28 billion in 2023. Consumer-oriented products including fruits and vegetables, meats, dairy, processed food, and beverages constituted 72 percent of that trade with a value of \$20 billion. Additionally, U.S. seafood exports to Canada topped \$1 billion in 2023.

Import duty is charged on goods imported into Canada. The Canada Border Services Agency (CBSA) collects the tariff on all imported goods. The average customs duty rate is about 4.8 percent. According to the United States-Mexico-Canada Agreement (USMCA), no duty is charged if the goods are for personal use and marked as made in the United States, Canada, or Mexico, or the goods are not marked or labeled to indicate that they were made anywhere other than in the United States, Canada, or Mexico. Three types of sales taxes are charged in Canada: Goods and Services Tax (GST) of five percent.

This is a federal tax. Provincial Sales Tax (PST), ranging from 7–10 percent. Manitoba's provincial sales tax is known as Retail Sales Tax (RST), while Quebec charges Quebec Sales Tax (QST). Harmonized Sales Tax, which combines the federal and provincial taxes into a single tax ranging from 12–15 percent. This method is used in Ontario, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland, and Labrador. (Exemptions are granted for basic foodstuffs, pharmaceutical products, and education.)

In the 20th and 21st centuries, waves of foreign migration turned Canada into one of the world's most diverse nations. This has also helped Canada to build one of the world's most robust economies and make it one of the world's wealthiest countries. Despite Canada's multicultural society, however, the country faces challenges with its longstanding ethnic and linguistic minorities. The country's aboriginal population continues to suffer disproportionate degrees of poverty, substance abuse, unemployment, and crime. Canadians can thank a wealth of natural resources, a large skilled labor force, and their government's sound economic policies for their nation's economic success. Since the end of World War II, Canada's economy ranks ninth in the world in terms of GDP. The country has enjoyed stable economic growth.

Because of the Alberta oil sands, the country ranks third in the world in proven oil reserves, behind Saudi Arabia and Venezuela, with the petroleum sector rapidly growing. Due to its vast natural resources, the country also produces food products, like wheat, barley, fish, and dairy products, as well as wood and paper products. Canada exports primarily motor vehicles and parts, industrial machinery and aircraft, plastics, chemicals, forestry products, energy products (such as coal and natural gas), and agricultural stock (such as fruits and vegetables).

Canada is a federal parliamentary democracy under a constitutional monarchy and has executive, legislative, and judicial branches. It recognizes the ruling monarch of England as the head of state and has a governor-general who represents England's monarch. Canadians elect a prime minister who serves as head of government. The country is divided into 10 provinces and three territories, with Ottawa as the nation's capital. The legislature of Canada includes a 105-member Senate and a House of Commons, which has one member from each of Canada's 338 electoral districts. The Senate is appointed by the governor general on the advice of the prime minister and serves until age 75. The House of Commons is chosen by popular vote, and the leader of the party that gains the most seats becomes prime minister. Canada's judicial system includes the Supreme Court of Canada, its highest court, as well as provincial, territorial, federal, and military courts. The Supreme Court has nine members appointed by the governor general at the recommendation of the prime minister and their cabinet. Judges must retire at age 75.

3.6 Hungary Analysis

Hungary is a country with a very rich culture that helps shape their markets. With much diversity due to being surrounded by 7 different countries Hungary has many influences that add to their traditions. Hungarian cuisine is a culinary delight, renowned for its hearty and flavorful dishes that feature staples like paprika, sour cream, and meats. This makes it so those are necessities for markets as those are important for the majority of meals. From its traditional holidays to its vibrant festivals, Hungary's culture is a celebration of its unique heritage, combining a strong sense of national identity with a spirit of creativity and innovation. This is also shown in their dishes as they include many different spices and types of food which can be bought at markets and stores nearby. Due to tradition a lot of dishes come from the past so families are usually the ones at markets or mother and daughters as it is tradition to teach about the culinary traditions. In the US it is usually lower doses of spices and seasoning which is a major difference however the US does have a lot of diversity which makes it so they carry many seasonings in markets and makes it so many families go to the market together.

Hungary's geography is characterized by a diverse landscape that encompasses plains, hills, rivers, and lakes. Located in Central Europe, Hungary is landlocked, bordered by seven countries: Austria, Slovakia, Ukraine, Romania, Serbia, Croatia, and Slovenia, in contrast to how the US only shares borders with Mexico and Canada. The country's topography is largely flat, with the Great Hungarian Plain dominating the eastern and southeastern regions. This vast lowland is one of Europe's most significant agricultural areas, known for its fertile soil and extensive farmlands. This makes it so markets can carry a lot more fresh products and alot more diverse products as it is 7 and not 2 that border the country. Hungary's network of rivers is another defining aspect of its geography, making it so fish are an easier meat to acquire. The Danube, Europe's second-longest river, flows through the heart of the country, dividing Budapest into two halves and serving as a vital transportation route so that fresh products can be shared amongst all parts of the country. Overall, Hungary's geography shapes its climate, economy, and cultural identity, making it a diverse country.

Consumerism in Hungary, much like in the US, has a profound impact on the legal system, particularly concerning grocery markets. Hungary's legal framework is based in civil law principles and influenced by European traditions, which affects a major part of their commercial activity. Similar to the US Hungary has a constitution that they follow. Legal professionals, including judges and attorneys, play essential roles in justice administration, with legal education provided by universities and institutions. Recent

reforms align Hungary's legal system with EU standards, emphasizing transparency and efficiency. Challenges persist, such as concerns about judicial independence and corruption. Despite this, Hungary remains committed to upholding the rule of law and citizens' rights while adapting to evolving legal landscapes and international norms. In the realm of consumerism, grocery markets drive economic activity, necessitating legal frameworks that address issues such as pricing, product safety, and fair competition. This makes it so that due to the location of Hungary the EU decides a major part of what happens internally within a market/ grocery store.

Hungary's political setup is kind of like the US, where they have a president and a prime minister who are in charge. The president is more of a figurehead, while the prime minister is the one with the real power, like the US president and the leader of the majority party in Congress. Their parliament, called the National Assembly, is where laws get made and budgets get approved, similar to our Congress. They have different political parties, called the Fidesz and the Hungarian Socialist Party, just like how we have Democrats and Republicans. They also have systems in place to make sure no one has too much power, just like our checks and balances. The decisions made by politicians can really affect how things work in the grocery business. For example, they might pass laws that impact how much things cost or how products are made. And since grocery markets are a big part of people's daily lives, politicians often have to consider how their decisions will affect shoppers and businesses alike. So, just like in the US, where politics and consumerism are closely linked, Hungary's political system also has a big impact on how grocery markets operate and how people shop for their food.

3.7 New Zealand Analysis

A majority of New Zealand's populace identifies with ethnic European roots, primarily tracing back to England, Germany, France, Poland, Spain, and Italy. The indigenous Māori community represents the country's most significant minority. Auckland and Wellington, the two largest cities, harbor diverse communities including Indian, Chinese, Korean, Filipino, Arab, Thai, and Japanese populations. Much like America, New Zealand is somewhat of a melting pot of cultures in it. English and Māori stand as the official languages, with English being the predominant language spoken across the nation. The resurgence of Māori since the 1980s has led to its increasing usage, alongside various Asian and European languages within their respective immigrant communities. Christianity reigns supreme in New Zealand, roughly half of the population follows various faiths, encompassing Protestantism, Roman Catholicism, Anglicanism, and Presbyterianism. Māori religions like Rātana and Ringatū are practiced to a lesser degree, while Hinduism, Buddhism, Sikhism, and Islam gain traction with the expanding immigrant communities.

Approximately one-third of the population identifies as non-religious. New Zealand's largest industries are mining, tourism, equipment manufacturing, food processing, banking and insurance, textiles, machinery, wood products, and transportation services. Its robust agricultural sector brings a lot of fish, wool, dairy, beef, wheat, lamb, potatoes, barley, vegetables, fruits, and pulses. The nation's abundant natural resources include limestone, hydropower, gold, sand, timber, coal, natural gas, and iron ore. America's cultural landscape is similarly diverse. While European ancestry plays a significant role, the population is a variety of cultures from around the world, including African, Hispanic, Asian, and Indigenous influences. English is the predominant language, but Spanish and to a lesser extent Chinese are widely spoken due to immigration. Religious diversity is also prevalent, with Christianity being the dominant faith, alongside significant populations practicing Judaism and Islam. The United States has a diverse economy, with key sectors including technology, finance, healthcare, entertainment, manufacturing, agriculture, and energy production.

New Zealand ranks 20th out of possible 190 countries comparing Gross Domestic Product for 2022. New Zealand's GDP per capita has been on the rise since 2002, growing from \$17 to \$50, only taking a small hit in 2009. Exports of goods and services (as a percentage of GDP) have been on the decline since 2001, falling from 35% to 22% through the years. The inflation rate has been consistently 1-4% for the past 20 years, only in 2022 there was a dramatic increase of 7%. The unemployment rate has rapidly changed in the past few years. It is lowering. It has gone from about 7% to around 3%.

New Zealand's primary export is Australia, which accounts for 21% of its trade, followed by China, the US, and Japan. The nation exports a range of items such as machines, wood products, meat, fish, and dairy products. When speaking about imports, New Zealand primarily sources goods from China, comprising 16% of its purchases, followed by Australia, the US, Japan, Singapore, and Germany. Imported items include cars, aircraft, plastics, machinery, electronics, and textiles. New Zealand consistently ranks as one of the least corrupt countries globally. They sit in one of the top positions out of 177 nations in Transparency International's Corruption Perceptions Index (TICPI). The country has maintained this top spot for several years, reflecting its transparent, efficient, clean business regulations and bureaucracy. New Zealand vehemently enforces business contracts and ensures government procurement processes are transparent and competitive to sway any sort of monopoly from appearing. Strict anti-bribery laws with mandatory penalties for bribery of authorities are effectively enforced. According to the Index of Economic Freedom by The Heritage Foundation, New Zealand is ranked 5th out of 178 countries, indicating a high level of economic freedom. The country's economy is classified as "free," with only six nations worldwide sharing this designation. In comparison to The United States, it is

a major global economic powerhouse with diverse trade partners, including China, Canada, Mexico, and the European Union.

New Zealand's political landscape is characterized by its stable democracy and proportional representation system. The country operates under a parliamentary system, with the Parliament consisting of the House of Representatives and the Governor-General representing the Crown. The major political parties include the center-left Labour Party, led by Prime Minister Jacinda Ardern, and the center-right National Party. Additionally, due to the proportional representation electoral system, minor parties such as the Green Party and New Zealand First often play significant roles in coalition governments. Issues such as environmental sustainability, social welfare, and indigenous rights frequently feature prominently in political discourse, reflecting New Zealand's progressive values and commitment to inclusivity.

3.8 Singapore Analysis

Singapore is incredibly diverse in terms of the ethnicities it contains, each contributing unique traditions and practices that collectively define the nation's identity. The city-state is an extremely modern city, comparable with Tokyo. Singapore is often dubbed "where east meets west," due to its multicultural identity shaped by Malay, Indian, Chinese, and even Western influences. While these communities maintain their cultural identities, they melt together to form a whole, of which they are all proud to be of. Singapore's social aspects are complex, shaped by ethnicity, class, and gender. While there are wide income disparities, Singaporeans place a high value on education as a means of success. Gender roles are evolving, with women increasingly entering the workforce but still underrepresented in leadership positions.

The major religions include Islam, practiced predominantly by the Malay community; Hinduism, practiced predominantly by the Indian population; Buddhism and Taoism, practiced predominantly by the Chinese; along with Christianity and other smaller denominations. Each religious group contributes to Singapore's cultural landscape through temples, mosques, churches, and other places of worship scattered across the city-state. Religious festivals, such as Chinese New Year, Deepavali, Hari Raya Puasa, and Christmas, are celebrated and are often marked as public holidays, allowing for interfaith understanding, respect, and tolerance among Singaporeans.

Singaporeans are passionate about food, and it's not uncommon for locals to enjoy five or six meals a day, reflecting the country's rich culinary fusion. With influences from Malay stir-fries, Chinese noodles, and

Indian curries, Singaporean cuisine offers a diverse range of flavors and dishes. Singaporeans take pride in their food heritage, despite it being incredibly diverse. Hawker centers, the soul of Singaporean food culture, offer a vibrant array of dishes served by individual hawkers specializing from various regions. Singaporeans love flatbreads, rice, and noodles; all very starchy foods. With a blend of Malay, Chinese, Indian, and Western influences, Singaporean cuisine embodies the cultural diversity of its people.

Singapore, positioned at the southern extremity of the Malay Peninsula, has a strategic location that has been pivotal to its emergence as a global city-state. Singapore is an island with approximately 60 smaller islets. It is located at the crossroads of the Strait of Malacca, which connects the Indian Ocean to the South China Sea. This has facilitated its growth to be one of the world's busiest ports and Southeast Asia's largest. It is surrounded by water bodies like Johor Strait to the north and the Singapore Strait to the south, which supplements its significance as a maritime and trade hub in the region. Singapore's landscape is predominantly flat, with over two-thirds of the main island lying less than 50 feet above sea level. The highest natural point, Bukit Timah Hill, stands at 545 feet. The island's topography varies, encompassing central hills formed from granite rocks and a low plateau in the east composed of sands and gravels. Despite its small land area, Singapore contains a network of short streams and estuaries. Due to this, they have challenges like floods and soil degradation that persist due to human urbanization. Generally, they have high temperatures, nearly constant precipitation, and distinct wet and dry seasons influenced by the northeast and southwest monsoons. Through urbanization and land reclamation efforts, Singapore has transformed its settlement patterns, with high-rise housing estates and integrated residential communities now dominating its landscape, reflecting its ongoing evolution as a vibrant global metropolis. Originally a British colony, Singapore gained considerable autonomy in the 1950s and briefly joined the Federation of Malaysia in 1963 before becoming an independent parliamentary republic in 1965. The country's founder, Lee Kuan Yew, played a pivotal role in shaping Singapore's national identity and economic development model. Under Lee's leadership, Singapore prioritized foreign direct investment, particularly from U.S. multinational corporations, to better support their rapid economic growth. This further allowed Singapore to establish itself as one of Asia's leading economies.

As a close strategic partner of the United States in Southeast Asia, Singapore maintains strong ties with Washington, and other allies, however alongside Beijing. While pursuing a balanced foreign policy to avoid entanglement in the geopolitical rivalry between the two sides of the world, Singapore faced economic challenges due to the U.S.-China trade war in 2019 and the impact of the 2020 coronavirus pandemic on its healthcare system and economy. Singapore's foreign policy is characterized by its close ties with the United States, marked by advanced military cooperation and significant economic

interdependence. Despite occasional tensions, particularly regarding China's efforts to influence Taiwan and disputes in the South China Sea, Singapore maintains robust economic relations with China as its largest trading partner. Additionally, Singapore maintains diplomatic and economic ties with Southeast Asian neighbors as a member of ASEAN and collaborates with regional and international partners on issues such as counterterrorism, maritime security, and climate change. Hosting high-stakes summits and serving as a venue for important security dialogues, Singapore continues to play a vital role in promoting stability and cooperation in the Asia-Pacific region. Singapore is led by the People's Action Party (PAP), which has held consistent power since 1959, under the leadership of Prime Minister Lee Hsien Loong and his family. Despite a parliamentary system that allows for political pluralism, the PAP's control over the electoral and legal framework doesn't necessarily allow for a significant emergence of opposition parties and further limits freedoms of expression, assembly, and association for its people. The electoral system tilts the political landscape in favor of the incumbent party, hindering any electoral competition. The government, led by the prime minister and cabinet, operates within a parliamentary republic framework. While elections generally are mostly free of fraud, the PAP enjoys slight advantages, including control over the media and the electoral boundaries process, contributing to an unfair electoral environment. Despite the presence of multiple opposition parties, the PAP's overwhelming dominance continues to live, securing about 61 percent of the popular vote and 83 of the 93 elected seats in the 2020 elections. The political landscape also faces criticism for restrictions on free speech, press freedom, and assembly, as well as limitations on the participation of minorities and women in leadership positions.

In Singapore, the legal system is incredibly present and strictly enforced, requiring businesses, including grocery stores, to adhere to various regulatory requirements. Grocery stores must ensure that they are located in 'commercial activities' designated zones and comply with specific zoning regulations set by the Urban Redevelopment Authority (URA). The Singapore Food Agency (SFA) sets and enforces regulations related to food safety, including cleanliness, proper storage, sanitation practices, and compliance with strict food labeling requirements. Grocery stores are subject to regular inspections by SFA officers to ensure compliance with these regulations. Licensing requirements govern the operation of businesses, including permits for selling food products and operating premises. Additionally, taxes imposed on products, such as goods and services tax (GST), must be collected and remitted in compliance with tax laws. Singapore currently imposes taxes on all products and services, including goods and services taxes (GST), which is at 7%. Grocery stores are required to register for GST if their annual taxable turnover exceeds a certain threshold. They must charge GST on taxable goods and services provided to customers and file regular GST returns to the Inland Revenue Authority of Singapore (IRAS) to report their sales and remit the GST collected. Furthermore, labor practices are tightly regulated to

protect workers' rights and ensure fair employment practices. Labor practices in Singapore are governed by various laws and regulations aimed at protecting the rights and welfare of employees. The Ministry of Manpower (MOM) sets regulations related to working hours, minimum wages, overtime pay, annual leave, and workplace safety standards. Businesses must adhere to labor laws regarding working hours, wages, benefits, and workplace safety standards. Failure to comply with these regulations can result in legal consequences, including fines, penalties, and reputational damage. All legal disputes and lawsuits can lead to expensive legal fees, loss of sales, and damage to the brand's image. Therefore, it is imperative for grocery stores in Singapore to stay informed about legal requirements, maintain compliance with regulations, and implement effective risk management strategies to mitigate legal risks and ensure long-term success in the marketplace.

Section 4: Recommendation for Foreign Expansion

4.1 Country and Store Selection

Based on our research, our group strongly believes that Kroger's grocery stores would benefit from expanding into Canada. Canada's cultural diversity, fueled by a significant immigrant population, aligns with Kroger's expertise in catering towards diverse consumer preferences. Kroger's consistently keeps their shelves stocked with uncommon, or less heard-of products as well as the stereotypical items people want on a consistent basis. On top of their extensive supply of pre-packaged goods, Kroger places a strong emphasis on their fresh, organic, and locally sourced foods. Anticipating that this trend would continue upon their expansion into Canada's market, their company would be benefiting Canada's local produce businesses, increasing their likelihood of a positive reputation. Overall, Kroger's commitment to offering a wide range of products resonates well with the Canadian consumers.

Geographically, Canada provides Kroger's with the ability to globally expand their company while maintaining a reasonable distance between points of operation. Additionally, Canada's vast territories offer ample opportunities for their expansion, and ensure a diverse demographic. Despite Canada's large size, they maintain efficient interconnected transportation networks which allow seamless distribution and logistics. On top of that, Canada's strong gross domestic product and trade relations with the United States presents a favorable economic landscape for Kroger to enter Canada's market. Compared to our other possible country's, Canada's geographical benefits in relation to the United States makes it an obvious choice for any grocery store company wishing to enter the global market for the first time.

From a legal perspective, Canada's regulatory environment emphasizes consumer protection and fair competition, this reflects well in Kroger's commitment to transparency and quality assurance. Abiding by Canadian laws and regulations will be crucial to Kroger's successful expansion. Some of Canada's laws include those governing food safety, labeling, and advertising: all of which Kroger's already abides by enthusiastically. Moreover, Canada's trade agreements facilitate cross-border commerce and provide a framework for Kroger to navigate import/export regulations effectively.

Canada has a strong, stable democracy and commitment to multiculturalism creates a cohesive environment for Kroger's to succeed. In fact, Canada's political views seem to align more with Kroger's values than the United States does. Canada's parliamentary democracy and strong tradition of upholding democratic principles provides a predictable and transparent governance structure for Kroger to operate. In addition, the country's progressive values, including environmental sustainability and social responsibility, orient well with Kroger's corporate ethos. Meaning, Kroger's has the potential to engage in meaningful initiatives and partnerships that resonate well with the Canadian government.

4.2 Country SWOT Analysis

For Kroger's entry into the Canadian market, several strengths of the country present promising opportunities. Canada's supportive environment for entrepreneurship aligns well with Kroger's innovative and customer-centric approach to the supermarket and grocery store sector. With tax incentives, Kroger can leverage this entrepreneurial spirit to establish a strong presence in Canada. Additionally, Canada's niche market growth, particularly in industries such as ice wine, signifies consumer appreciation for unique and high-quality products—a trend that Kroger can capitalize on by offering diverse and premium offerings in its stores. Moreover, Canada's proximity to the United States provides Kroger with logistical advantages, facilitating efficient supply chain management and potential synergies with its existing operations.

Despite its strengths, Canada's dependency on the US market poses challenges for Kroger's expansion efforts. The reliance on American exports makes the Canadian economy vulnerable to fluctuations in the US market, impacting consumer spending habits and overall market stability. Additionally, the fluctuating Canadian dollar presents uncertainties for Kroger's pricing strategies and profit margins, requiring careful financial planning and risk management strategies to mitigate currency risks.

Kroger's entry into Canada presents opportunities to diversify its revenue stream. With increasing demand from Asian markets for premium goods like ice wine, Kroger can leverage its expertise in product sourcing and marketing to cater to international consumers. Furthermore, Canada's growing immigrant population offers a new market for Kroger to introduce its retail concepts and customer engagement strategies. By aligning with the diverse preferences and cultural nuances of Canadian consumers, Kroger can gain a competitive edge in the dynamic retail landscape.

Despite the opportunities, Kroger must be mindful of potential threats to its success in the Canadian market. The closure of stores due to economic challenges and low consumer confidence poses a risk to Kroger's expansion plans, necessitating careful market and location analysis. Furthermore, the correlation between the Canadian dollar and prices presents volatility in operating costs and profitability for Kroger, requiring proactive measures to manage financial risks. Additionally, geopolitical tensions and global economic uncertainties may impact consumer sentiment and purchasing power, influencing Kroger's market performance and growth trajectory in Canada.

4.3 Recommendation for Identified Selection

For Kroger's successful entry into the Canadian market, thorough market research and analysis are crucial. Identifying areas close to the US-Canada border, such as Toronto, can strategically leverage existing supply chain networks while catering to a diverse demographic. Toronto's bustling city landscape provides a prime location for Kroger to tap into consumer segments seeking affordable options, variety, and health-conscious choices. By aligning store locations with the needs and preferences of Canadian consumers, Kroger can establish a strong foothold in the market from the outset, minimizing adaptation challenges and maximizing market penetration. The degree of adaptation required for location selection may be higher than anticipated, as consumer preferences and market dynamics in Canada differ from those in the United States. Kroger must adapt its site selection criteria to prioritize densely populated urban areas and consider factors such as transportation infrastructure, local competition, and cultural nuances. By conducting in-depth market analysis and understanding the unique characteristics of the Canadian market, Kroger can mitigate potential shocks or reality checks and optimize its expansion strategy for long-term success.

Canada's grocery market tends to be more expensive compared to the United States, presenting both challenges and opportunities for Kroger. To maintain a competitive edge, Kroger should implement a pricing strategy that aligns with its US pricing while accounting for transportation costs and local market

conditions. By offering consistent pricing across borders, Kroger can leverage its brand reputation for affordability and attract price-sensitive Canadian consumers. However, margins must be carefully managed to ensure profitability amidst higher operating costs in the Canadian market. Kroger's pricing strategy requires moderate adaptation to accommodate Canada's unique cost structure and consumer spending patterns. While maintaining competitive prices similar to those in the US, Kroger must carefully design pricing strategies to account for differences in operating expenses, tariffs, and currency fluctuations. Adapting pricing models to local market dynamics will be essential to effectively navigate pricing pressures and capture market share in Canada's competitive grocery landscape.

As Kroger enters the Canadian market, maintaining adaptability and flexibility is paramount to navigating unfamiliar terrain and responding to evolving consumer preferences. While Kroger's US stores may target different demographics and geographic areas, adapting to the Canadian market's nuances requires a flexible approach. By remaining open to feedback, market insights, and emerging trends, Kroger can tailor its offerings and marketing strategies to resonate with Canadian consumers effectively. The degree of adaptation needed for adaptability and flexibility is high, given the unique dynamics of the Canadian market. Kroger must be prepared to pivot its strategies, product assortments, and operational practices to align with Canadian consumer preferences, cultural norms, and regulatory requirements. By prioritizing agility and responsiveness, Kroger can proactively address challenges and capitalize on opportunities in the dynamic Canadian retail landscape.

Kroger's success in the Canadian market will be dependent on the effectiveness of its workforce in delivering exceptional customer experiences and representing the brand authentically. Investing in comprehensive employee training programs that emphasize cultural sensitivity, customer service excellence, and brand alignment is essential. By supporting employees to embody Kroger's values and cater to the unique needs of Canadian consumers, Kroger can differentiate itself in the market and foster customer loyalty. The degree of adaptation required for employee training and support is moderate, as Kroger must strike a balance between upholding its core values and accommodating Canadian cultural norms and labor regulations. Training programs should incorporate modules on Canadian culture, consumer preferences, and local market dynamics to equip employees with the knowledge and skills needed to excel in their roles. Additionally, offering competitive benefits and support systems can enhance employee satisfaction and retention, aligning with Canada's emphasis on workplace well-being and social responsibility.

4.4 Critical Issues with Recommendation for Identified Selection

→ Regulatory Compliance and Legal Considerations

Entering the Canadian market entails navigating complex regulatory requirements, including food safety standards, labeling regulations, and employment laws. Failure to comply with these regulations or adequately address legal considerations could result in fines, legal disputes, and reputational damage for Kroger, undermining its expansion efforts and eroding consumer trust. As an American company, there will be some discrepancies between the American and Canadian laws.

→ Competition and Market Saturation

Introducing Kroger into established markets like Toronto may face fierce competition from existing retailers with loyal customer bases and a strong brand presence. Without a robust differentiation strategy or value proposition, Kroger could struggle to gain traction and achieve sustainable growth.

→ Currency Fluctuations and Cost Management

To maintain consistent pricing with the United States market has the fundamental assumption that there is a stable currency exchange rate and uniform cost structures. However, fluctuations in currency values and differences in operating expenses between the two countries could erode profit margins and undermine the competitiveness of Kroger's pricing strategy.

Countries -> Variables	New Zealand	Austria	Canada	Brazil	Hungary	Singapore
Culture 50%	New Zealand boasts a predominantly European-descended populace. English and Māori serve as official languages. Christianity remains the dominant religion amidst growing religious diversity.	In Austria, there's a moderate power distance and a collective society valuing group harmony, with greetings generally formal and discussions avoiding sensitive topics like war or religion. The cuisine emphasizes high-calorie foods like fish, beef, and pork, with breakfast being the main meal and accommodations made for dietary preferences like veganism alongside traditional celebrations featuring festive foods.	Canada's cultural diversity, fueled by a significant immigrant population, shapes varied food preferences and fuels demand for a wide array of international and ethnic foods in supermarkets. The official languages are English and French. Canadians and consumers prioritize health and sustainability, gravitating towards fresh, organic, and locally sourced foods.	Brazil's culture is a blend of Indigenous, African, and Portuguese influences, with music, dance, art, and literature playing central roles. Social connections hold significant importance, reflecting a society where personal connections often dictate societal promotion and wealth distribution, while fresh ingredients and vibrant street markets characterize their food culture, presenting potential challenges for American companies entering the market.	Hungary's rich culture deeply influences its markets, especially its renowned cuisine. Traditional family visits to markets pass down culinary knowledge. In the US, a diverse population leads to a wide array of seasonings available in markets, fostering culinary exploration and tradition.	Singaporeans are passionate about food, and it's not uncommon for locals to enjoy five or six meals a day, reflecting the country's rich culinary fusion. With influences from Malay stir-fries, Chinese noodles, and Indian curries, Singaporean cuisine offers a diverse range of flavors and dishes. Singaporeans take pride in their food heritage, despite it being incredibly diverse. Hawker centers, the soul of Singaporean food culture, offer a vibrant array of dishes served by individual hawkers specializing from various regions. Singaporeans love flatbreads, rice, and noodles; all very starchy foods. With a blend of Malay, Chinese, Indian, and Western influences, Singaporean cuisine embodies the cultural diversity of its people.

<p>Geographical 30%</p>	<p>New Zealand ranks 20th out of possible 190 countries comparing Gross Domestic Product for 2022. New Zealand's GDP per capita has been on the rise since 2002, growing from \$17 to \$50, only taking a small hit in 2009. Exports of goods and services (as a percentage of GDP) have been on the decline since 2001, falling from 35% to 22% through the years.</p>	<p>Austria's GDP is USD 479 billion, with a per capita GDP of USD 52 billion, showing steadiness rather than growth, experiencing major dips in 2014-2016 and during the pandemic. High inflation at 4.13% and increased borrowing rates signal economic challenges, impacting citizens' purchasing power and potentially affecting US firms' entry into the market despite a favorable euro-dollar exchange rate.</p>	<p>Canada is the second-largest country in the world. Canada ranks 9th in terms of GDP at \$2.140 trillion with a per capita of \$55,646. U.S. exports of agricultural products to Canada were valued at \$28 billion in 2023. Consumer-oriented products including fruits and vegetables, meats, dairy, processed food, and beverages constituted 72 percent of that trade with a value of \$20 billion.</p>	<p>Brazil's geographical advantages, including its large size and high population density, position it as a strong competitor in food service and retail, with the Amazon Rainforest offering strategic benefits for sustainable products. Despite challenges such as varying time zones, Brazil's abundance of natural resources, and concentrated population, particularly in São Paulo and Rio de Janeiro, drive its economy similarly to economic hubs in the United States like New York City and Los Angeles.</p>	<p>Hungary's diverse geography, shaped by its Central European location, features plains, hills, and rivers. Unlike the US, it's landlocked, bordered by seven countries. The flat terrain, notably the Great Hungarian Plain, supports extensive farmland. Rivers like the Danube aid transportation and access to fresh products. Overall, Hungary's geography influences its economy, climate, and cultural identity.</p>	<p>Positioned strategically at the southern tip of the Malay Peninsula, Singapore is in a prime location that has aided in its emergence as a global economic power. It is an island nation with approximately 60 smaller islets. Singapore's geography is defined by its oceanic significance, surrounded by key waterways like the Strait of Malacca and the Singapore Strait. Despite its small land area, Singapore's landscape varies, featuring flat terrain, central hills, and a network of streams and estuaries. Significant urbanization and land reclamation efforts have transformed its settlement patterns, reflecting its evolution as a modern metropolis.</p>
<p>Legal 10%</p>	<p>New Zealand's primary exports include machinery, wood products, meat, fish, and dairy, with Australia, China, the US, and Japan as key trading partners, while imports mainly consist of cars, aircraft, plastics, machinery, electronics, and textiles, sourced primarily from China, Australia, the US, Japan, Singapore, and Germany. Renowned for its transparency and low corruption levels, New Zealand consistently ranks high in global indices such as Transparency International's Corruption Perceptions Index and The Heritage Foundation's Index of Economic Freedom, boasting a "free" economy and stringent anti-bribery laws.</p>	<p>In Austria, the Banking Act of 1934 prioritizes transparency in banking. The Capital Market Act focuses on protecting financial securities and investments. Additionally, consumer protection laws, such as the Consumer Protection Act and the Unfair Competition Act, regulate online sales and advertising practices, with adherence to EU regulations impacting the entry of US firms.</p>	<p>Import duty is charged on goods imported into Canada. The Canada Border Services Agency (CBSA) collects the tariff on all imported goods. Sales taxes are charged in Canada: Goods and Services Tax (GST) of five percent. This is a federal tax. Provincial Sales Tax (PST), ranging from 7–10 percent. Manitoba's provincial sales tax is known as Retail Sales Tax (RST), while Quebec charges Quebec Sales Tax (QST). Harmonized Sales Tax, which combines the federal and provincial taxes into a single tax ranging from 12–15 percent.</p>	<p>Brazil's legal framework for marketing and sales prioritizes consumer protection and fair competition, with laws like the Consumer Protection Code ensuring transparency in advertising and sales. Additionally, regulations such as the Competition Law aim to prevent anti-competitive practices, while measures for import and export quality control guarantee compliance with health, safety, and technical standards.</p>	<p>Consumerism in Hungary, like the US, deeply impacts the legal system, especially in grocery markets. Hungary's legal framework, rooted in civil law and influenced by European traditions, oversees commercial activities, aligning with EU standards. Despite challenges, Hungary maintains the rule of law while adapting to international norms, with grocery markets influenced by EU regulations.</p>	<p>Singapore's legal system is rigorously enforced, with strict regulations governing businesses like grocery stores. Zoning laws, health and safety regulations, licensing requirements, and taxation are crucial considerations for compliance. The Singapore Food Agency (SFA) ensures food safety standards, while businesses must adhere to labor laws governing employment practices. Non-compliance can lead to legal consequences, including fines and reputational damage, necessitating businesses to stay informed and implement effective risk management strategies to ensure long-term success in the marketplace.</p>
<p>Political 10%</p>	<p>New Zealand's political landscape is marked by a stable democracy operating under a parliamentary system with proportional representation. Major parties like the center-left Labour Party and center-right National Party coexist alongside influential minor parties such as the Green Party and New Zealand First, addressing key issues like environmental sustainability, social welfare, and indigenous rights.</p>	<p>Austria operates as a democratic society with a president serving a six-year term and appointing the chancellor, who heads the executive cabinet. The country is influenced by two main parties, the People's Party and the Social Democratic Party, while adherence to EU regulations shapes its political stance and relationships with other countries, including the United States.</p>	<p>Canada operates as a federal parliamentary democracy under a constitutional monarchy, with the ruling monarch of England represented by a governor-general. Its legislative branch comprises a 105-member Senate and a House of Commons with 338 members, where the prime minister is elected from the party with the most seats.</p>	<p>Brazil, a federal republic akin to the United States, operates under democratic governance with a president serving as both head of state and government. Since the dissolution of the enforced two-party system in 1979, Brazil has embraced a multiparty system, with five major parties dominating the Senate, though the country faces challenges including corruption and calls for political reform amidst public protests.</p>	<p>Hungary's political system, like the US, has a president and prime minister, with the National Assembly akin to Congress. Parties like Fidesz and the Hungarian Socialist Party exist, mirroring Democrats and Republicans. Checks and balances influence grocery market policies, reflecting the close link between politics and consumerism, like the US.</p>	<p>Originally a British colony, Singapore gained independence in 1965 under the leadership of Lee Kuan Yew, who played a pivotal role in shaping its national identity and economic development model. The country's political landscape is dominated by the People's Action Party (PAP), which has held consistent power since 1959. Despite a parliamentary system allowing for political pluralism, the PAP's control over electoral and legal frameworks limits opposition parties' emergence and restricts freedoms of expression. Singapore pursues a balanced foreign policy, maintaining strong ties with the United States and China while collaborating with regional partners on security and economic issues.</p>

Section 6: Works Cited

44511 - Supermarkets & Grocery Stores in the US. IBISWorld. (n.d.-a).

<https://my-ibisworld-com.ezaccess.libraries.psu.edu/us/en/industry/44511/performance>

About Singapore. Ministry of Foreign Affairs Singapore. (n.d.).

<https://www.mfa.gov.sg/Overseas-Mission/Washington/About-Singapore>

About the Hungarian legal system. The Constitutional Court of Hungary. (n.d.).

<https://hunconcourt.hu/about-the-hungarian-legal-system/#:~:text=Hungary%20is%20an%20independent%2C%20democratic,Hungary's%20government%20is%20parliamentary%20democracy>.

Aull, B., Gill, P., Kuijpers, D., Lu, N., Marohn, E., & McLaughlin, G. (2023, September 25). The state of grocery in North America 2023. McKinsey & Company.

<https://www.mckinsey.com/industries/retail/our-insights/the-state-of-grocery-in-north-america-2023>

Cateora, P. R., Money, R. B., Gilly, M. C., & Graham, J. L. (2020). International Marketing. McGraw-Hill Education.

David, J. (2023, January 12). SWOT analysis of Canada (NATIONAL SWOT). www.howandwhat.net.

<https://www.howandwhat.net/swot-analysis-canada/>

Diverse Export Opportunities for Food & Beverage Trade with Canada | USDA Foreign Agricultural Service. (n.d.). <https://fas.usda.gov/data/diverse-export-opportunities-food-beverage-trade-canada>

Encyclopædia Britannica, inc. (2024, April 20). Singapore. Encyclopædia Britannica.

<https://www.britannica.com/place/Singapore>

Encyclopædia Britannica, inc. (n.d.). *Government and society*. Encyclopædia Britannica.

<https://www.britannica.com/place/Hungary/Government-and-society>

Falkowitz, M. (2018, August 10). An introduction to Singaporean food. Serious Eats.

<https://www.serious-eats.com/an-introduction-to-singaporean-food-cuisine>

GDP of East Asia. IBISWorld. (n.d.-b).

<https://my-ibisworld-com.ezaccess.libraries.psu.edu/us/en/business-environment-profiles/a3121/business-environment-profile>

Holloran, T. (n.d.). New Zealand. Erie. Retrieved April 5, 2024,.

Hungary: Exploring hungarian culture | AFS-USA. Hungary. (n.d.).

<https://www.afsusa.org/countries/hungary/>

Irigoyen, F. (n.d.). Supermarkets & Grocery Stores in the US. IBISWorld.

<https://my-ibisworld-com.ezaccess.libraries.psu.edu/us/en/industry/44511/at-a-glance>

Ken, T. J. (n.d.). Singapore: Where cultures come together. Travel.

<https://www.nationalgeographic.com/travel/article/partner-content-cultures-come-together-in-Singapore>

Kim, E. (2021, February 16). Singapore country profile - national geographic. Geography.

<https://kids.nationalgeographic.com/geography/countries/article/singapore#:~:text=GEOGRAPHY,and%20Indonesia%20to%20the%20south>.

Momin, A. (2024, April 9). SWOT analysis of the USA: A superpower with weaknesses. PESTLE

Analysis. <https://pestleanalysis.com/swot-analysis-of-the-usa/>

Panda, A. (n.d.). Singapore: A small asian heavyweight. Council on Foreign Relations.

<https://www.cfr.org/backgrounder/singapore-small-asian-heavyweight>

Rahman, M. (n.d.). SWOT analysis of the USA (U.S. SWOT analysis) - www.howandwhat.net. SWOT analysis of the USA (U.S. SWOT analysis).

<https://www.howandwhat.net/swot-analysis-usa-us-swot-analysis/>

Retail trends. USDA ERS - Retail Trends. (n.d.).

<https://www.ers.usda.gov/topics/food-markets-prices/retailing-wholesaling/retail-trends/>

Rivero, S. (n.d.). 10 traditional Hungarian dishes you need to try. Great Value Vacations.

<https://www.greatvaluevacations.com/travel-inspiration/traditional-hungarian-dishes-you-need-to-try>

Sidder, A. (2021, February 16). *Hungary Country Profile*. Geography.

<https://kids.nationalgeographic.com/geography/countries/article/Hungary#:~:text=Hungary%20is%20mostly%20flat%2C%20with,way%20to%20the%20Black%20Sea>.

Singapore - Culture, Etiquette and Business Practices. Commisceo Global Consulting Ltd. (n.d.).

<https://www.commisceo-global.com/resources/country-guides/singapore-guide>

Singapore. Culture of Singapore - history, people, traditions, women, beliefs, food, customs, family, social. (n.d.). <https://www.everyculture.com/Sa-Th/Singapore.html>

Singapore: Freedom in the World 2023 Country Report. Freedom House. (n.d.).

<https://freedomhouse.org/country/singapore/freedom-world/2023>

Supermarkets & grocery stores in the US - market size, industry analysis, trends and forecasts
(2024-2029): IBISWorld. IBISWorld Industry Reports. (n.d.).

<https://www.ibisworld.com/united-states/market-research-reports/supermarkets-grocery-stores-in-dustry/#IndustryStatisticsAndTrends>

SWOT analysis. U.S. Economic Development Administration. (n.d.).

<https://www.eda.gov/resources/comprehensive-economic-development-strategy/content/swot-analysis>