

Subway (sandwiches) going to norway

[Business](#)



CLIENT SUBMITTED Introduction Let us assume that Subway is expanding its operations. Its top management comes up with several possibilities for its expansion program. After deliberate thinking and analysis, Norway is selected as the target area for market development. We will be conducting a feasibility study to find out whether Norway is suitable option for growth and expansion. We will conduct our research in terms of several modules.

(Norway considers avenging Chinese bullying, 2012)

According to per capita income, Norway is one of the richest countries in the world which provides a number of potential markets for both local and foreign investors. The kingdom of Norway is the second least densely populated country of Europe. It is a population of approximately 5 million people but it holds top global rankings in various industries. Norway is the fifth largest oil exporter, third largest natural gas exporter and second largest exporter of seafood. (Norway considers avenging Chinese bullying, 2012)

Module 1: Identifying Global Business Opportunities

1. 1 SWOT Analysis

Let us conduct SWOT analysis of Norway as the potential target market for expansion. Norway is blessed with stable labor force, technological development along with natural resources which provide suitable environment for businesses. However, entrepreneurs find some difficult to target the niche audience. There is emphasis on small enterprises. The high per capita income is considered as bonus point for businesses. There is a big export potential and there are several opportunities to exploit them.

However, there are few strict regulations which go against the businessmen and it serves as threat for businesses. (Norway considers avenging Chinese

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bullying, 2012)

1. 2 Potential Markets

Now, let us consider the expansion of Subway chain in Norway. Subway is one of the fastest growing restaurants in the world which has more than 36000 franchises in 100 countries of the world. Norway can be the potential market for Subway.

1. 3 Absolute and Comparative Advantages

The largest export client of Norway is United States of America and it has got comparative advantage over it. The largest export item of Norway is fossil fuels products for U. S. A and it also exports petroleum products, telecommunication equipment, natural gas, military equipment, steel manufacturing materials and much more.

1. 4 Business Opportunity Analysis

This comparative advantage of Norway over U. S. A has made it more attractive for Subway to expand its operations there. (Norway considers avenging Chinese bullying, 2012)

1. 5 Action Plan

Subway will extend its business to Norway in next year. It will conduct market research to understand the competition and nature of investments required to achieve its objectives. Then hire the best people or sign franchising agreements with locals to achieve maximum economies of scale and ease of doing business.

Module 2: Analyzing International Competitors

Most of the business clusters in Norway are fragmented. However, there is highly competitive environment in Norway. There is high emphasis on gender equality in Norway and this serves as an important competitive

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advantage as compared to other geographical locations of the world. There are several international players already in the market. Subway will face strong competition from Arby, Taco Bell, KFC, Quiznos Sub, Burger King, Wendy and Mc Donald's. However, Norway possesses core competencies which will be quite beneficial for Subway. In Norway, there is stable political environment, high purchasing power, environment stability and technological advancement which can support the new ventures. In order to tackle the fierce competition, Subway will have to work hard to get some share in the market. Most of its competitors are already offering customized meal packages; therefore, Subway will have to try hard to make its place in the industry. Since Subway is already an established brand, it will help it during the marketing of its products in Norway. Internationally, Subway is in maturity stage, however, it will start off its operations from introduction stage in Norway to set up and compete with the competitors. (Norway considers avenging Chinese bullying, 2012)

Module 3: Assessing the Economic/Geographic Environment

The geographic environment of Norway supports businesses. There is well-established infrastructure of transport and communication. There are about 30000 U. S citizens living in Norway and both countries mutually benefit from each other through cultural exchange and trade. Being one of the richest countries of the world, Norway has the lower levels of unemployment, high growth and budget surplus. There are very lower interest rates there. In 2012, the GDP of Norway is expected to be 501582\$ million whereas it is expected to reach 529464\$ million in 2015. In 2012, the GDP of U. S. A is expected to be \$ 15609697 million whereas it is expected to reach \$17783568 million in 2015. According to IMF, the GDP per capita of Norway <https://assignbuster.com/subway-sandwiches-going-to-norway/>

is more than United States. (Norway considers avenging Chinese bullying, 2012)

Conclusion:

If Subway is planning to expand its operations, then it should consider Norway for market development due to high purchase power, development of infrastructure, suitable business environment and much more.

References:

“ Norway considers avenging Chinese bullying” The Economist (2012, February 18). Retrieved May 11, 2012, from <http://www.economist.com/node/21547832>