

International Business Strategy Formulation for the African Market of Copy Paper Company

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Abstract

This study examines strategic entry into the African market by a copy paper manufacturing company through internal and external business environment analysis. Using PESTEL, Porter's Five Forces, SWOT, and VRIN frameworks, the research identifies key opportunities and risks. An Analytical Hierarchy Process (AHP) evaluates six strategic criteria: product standardization, pricing competitiveness, cost efficiency, regulatory compliance, adaptability, and cultural fit. Findings support a hybrid strategy combining transnational and multidomestic approaches to balance scale efficiency and local responsiveness. The study recommends phased market entry, regional partnerships, localized facilities, and improved market intelligence. These insights contribute to international business strategy by offering an evidence-based roadmap for firms targeting emerging markets in Africa.

Keywords: African Market; Copy Paper Industry; Multidomestic Strategy; Transnational Approach

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INTRODUCTION

In order to design a sustainable long-term strategy, it is essential for the company to assess potential markets for graphic paper products. Market potential can be evaluated through several critical factors. These include current levels of demand, consumption patterns, and the general economic outlook reflected in GDP growth. Additionally, the degree of digital transformation and the age distribution of the population are important variables. Demographic trends may influence consumer preferences, particularly regarding paper usage. Younger populations tend to adapt more quickly to digital media, reducing reliance on traditional print materials. Therefore, comprehensive market analysis must integrate both economic and socio-demographic dimensions.

Southeast Asia has experienced notable economic growth in recent years, supported by increased industrial activities and expanding consumer markets. According to the Asian Development Bank (2023), the region is forecasted to grow by 4.7% in 2023 and 5.0% in 2024. These figures suggest strong post-pandemic recovery momentum. Much of this growth is driven by higher domestic consumption and a revitalized tourism industry. Urbanization and infrastructure investments have also played a significant role in this development. Despite this promising outlook, the region is simultaneously undergoing rapid digitalization. This digital transformation may reduce the demand for traditional graphic paper products.

The acceleration of digital technology adoption in Southeast Asia has transformed communication and documentation practices. Based on the ASEAN Digital Integration Index, there was a 1.3-fold increase in e-commerce activity between 2019 and 2020. Such shifts indicate that digital platforms are increasingly favored over printed materials. As businesses and consumers transition to digital tools, the relevance of graphic paper is gradually declining. Schools and workplaces are adopting digital documentation systems, reducing their paper usage. As digital literacy improves across the region, traditional paper-based methods face increased competition. Consequently, companies in the paper industry must anticipate these changes when targeting this market.

A report by the Food and Agriculture Organization (2022) highlights a slowing growth rate in paper and paperboard consumption within the Asia-Pacific region. Specifically, demand for graphic paper has been negatively affected by the widespread substitution of print media with digital alternatives. Graphic paper types such as newsprint and writing paper are now less consumed than before. This trend is particularly evident in urban areas with greater internet access and mobile device usage. Publishers, schools, and offices increasingly rely on digital platforms. As a result, demand for printing and writing paper is gradually shrinking in Southeast Asian countries. This creates uncertainty for businesses focused solely on conventional paper markets.

In contrast to Southeast Asia, Africa presents a different market profile with emerging potential for graphic paper products. The African Development Bank Group (2023) reports that Africa is the second-fastest-growing region globally, following Asia. The continent's GDP is projected to grow by 4.3% in 2024. Economic expansion is supported by rising private sector activity and structural reforms. Many African nations are also investing in infrastructure, education, and public services. These conditions may lead to increased demand for paper in schools, government offices, and the private sector. Hence, Africa emerges as a region with untapped opportunities for paper-based industries.

Africa's paper consumption trends differ from those observed in Southeast Asia. Due to the limited presence of domestic paper manufacturing facilities, African countries heavily depend on imports. This reliance creates significant market openings for external suppliers of graphic paper. Data from trademap.org indicates a consistent increase in the importation of photocopy paper into several African nations. These statistics reflect a strong and growing need for graphic paper, particularly for administrative and educational uses. Photocopy paper remains a staple product across both public and private institutions. Therefore, understanding Africa's import behavior provides valuable insight into its market potential.

Photocopy paper is considered a core component within the graphic paper category and serves various essential functions. Its widespread use in schools, universities, and offices sustains its high demand despite technological advancements. The rise in imports signals unmet domestic demand that foreign producers could address. Unlike Southeast Asia, Africa's digitalization process is progressing at a slower pace. Consequently, the transition to paperless operations is not as immediate or extensive. This delay allows the graphic paper industry to retain relevance for a longer period. Targeting such regions may offer a strategic advantage for paper companies aiming to diversify their markets.

In collecting data on Africa's import patterns, specific considerations were taken into account. Countries with incomplete or unavailable trade data, such as Djibouti, Ghana, Namibia, and Guinea, were excluded from the analysis. This approach ensures that the market evaluation remains accurate and representative. Reliable data allows businesses to make informed decisions regarding market entry and product distribution. Moreover, focusing on countries with consistent reporting enhances the validity of trend analysis. The upward trend in graphic paper imports demonstrates that demand persists across multiple African nations. Overall, Africa appears to offer a more stable and expanding market for graphic paper compared to regions undergoing rapid digital disruption.

From philosophy and strategy, the reviewed studies use a mix of qualitative and quantitative methods. For instance, Oliveira et al. (2021) use quantitative methodology by conducting surveys to analyze economic, environmental, and sustainability issues within various industries. Similarly, Xinran et al. (2022) use an integrative approach of qualitative and quantitative methods where descriptive statistics analysis and network modeling become applied to study trade dynamics and structural determinants related to the forestry product sector. The remaining study from Santos (2024), Francioni et al. (2021), and Adomako et al. (2024) use qualitative methods, as these studies' objectives are to gain deep understanding into nuanced insights and contextual factors, such as cultural dynamics, regulatory environments, and strategic decision-making, which are often difficult to quantify. Similarly, this study will use qualitative approach to analyze the current situation of the graphic paper market, focusing on understanding market dynamics, strategic opportunities, and challenges in Africa. This method is particularly suited to capturing the complexity of the factors influencing company operations.

The theoretical frameworks that are applied in the studies are varied. The analysis of the international market selection process gives good understanding in the importance of network and cultural differences in shaping opportunities (Francioni, 2024). A range of variables were analyzed through academic literature that draw the complexity of market dynamics. For example, Xinran et al. (2022) discusses trade volumes, economic indicators, and forest resources, while Francioni et al. (2024) focuses on the selection criteria of the markets under consideration and opportunity identification processes. These variables give foundation to understanding essential factors such as GDP, literacy rates, and regulatory frameworks that are central for this study in the exploration of graphic paper in Africa.

The unit of analysis in the literature focuses on collectives, such as corporations or industries, to assess broader trends and strategic behaviors. For example, (Oliveira, 2021) and Santos (2021) examine the forestry industry with the environmental and economic impacts, while Francioni et al. (2024), takes a cross-industry method to understand the dynamics of global markets. For this study will focuses on PT LMD, as a case study, examining its strategic positioning in the African market.

Industry coverage in the literature review is between various industry or forestry products. The selection is influenced by market dynamics, sustainability, and international business. Santos et al. (2021) highlights the necessity of environmental impacts in the forestry industry. This understanding gives insight and a direct correlation for the operations of LMD and what potential regulatory challenges that the company will face.

This research aims to achieve three primary objectives related to the expansion of the photocopy paper industry into the African market. First, it seeks to analyze the strengths,

weaknesses, opportunities, and threats (SWOT) of entering the African photocopy paper market by considering the economic conditions, market demand, and trade policies across diverse regions. Second, the study aims to determine the most appropriate business strategies that align with the market environment and competitive landscape in Africa, including cost leadership, differentiation, and market adaptation strategies. This includes evaluating internal capabilities, customer behavior, and institutional factors that influence business success. Third, the research intends to identify the most effective market entry mode, such as exporting, joint ventures, or wholly owned subsidiaries, based on the legal frameworks, risk levels, and potential returns of investment in different African countries. The study will also explore how strategic alliances and local partnerships can support sustainable and scalable entry. By integrating these objectives, the research provides a comprehensive foundation for companies seeking to navigate the complexities of international expansion into the African photocopy paper market. The findings are expected to offer practical recommendations for building competitive advantages and achieving long-term business growth in emerging markets.

RESEARCH METHOD

Research Design

The research design for this study is illustrated in the figure below (Figure 1). The design begins with the identification of a business issue, namely the global decline in graphic paper demand and the decision to target Africa as a growth market. To support the exploration of this issue, a theoretical foundation and review of relevant literature, as presented in Introduction, were conducted. This resulted in a conceptual framework and a research design framework, both of which will be analyzed to address the business issue. The study uses qualitative methods, supported by secondary data analysis, to understand the complexity of market consumption drivers, economic and logistical challenges, and strategic responses in Africa. This exploratory approach is essential for a deep examination of key market dynamics specific to Africa, in contrast to other regions. Primary data will be collected through interviews with company executives and industry experts, while secondary data will come from industry reports to ensure a holistic understanding of the issues. Both types of data will be used to analyze internal and external factors through SWOT analysis. This analysis will help visualize the company's current situation and generate business solutions. The solutions will then inform an implementation plan, detailing steps and timelines for executing strategies in Africa as a growth market.

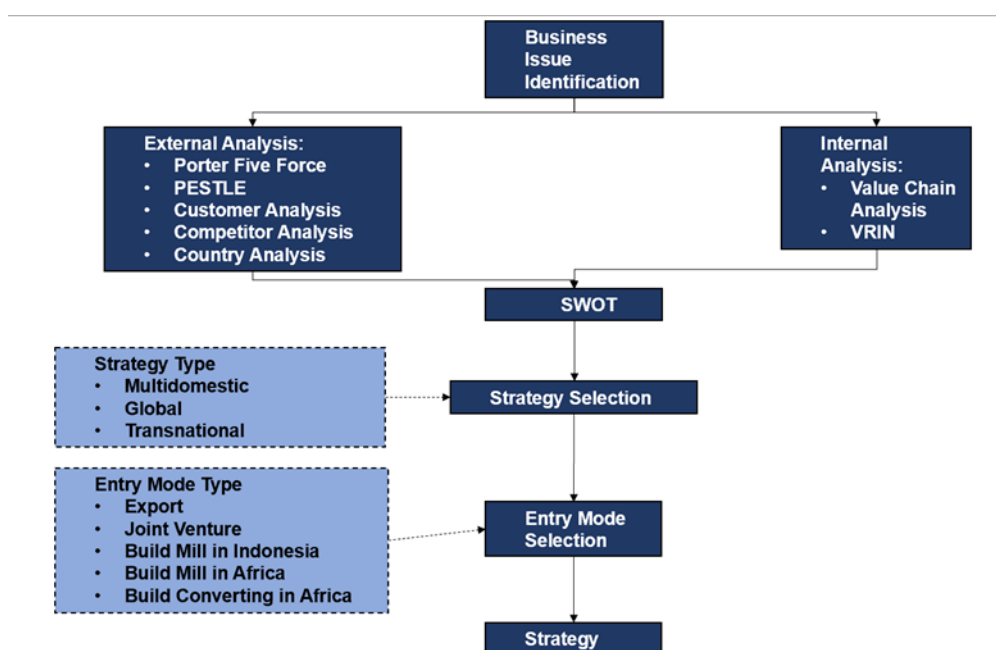


Figure 1. Research Design

Data Collection Methods

Primary Data

The primary data for this study will be gathered through qualitative methods, specifically in-depth interviews. The aim of this qualitative approach is to identify internal factors, logistical hurdles, consumer behavior patterns, and key variables that influence the company's strategy to enter the African market. The choice of this method is driven by several considerations, including the challenge of finding industry experts with in-depth knowledge of the African graphic paper industry and the need for flexibility in scheduling. Additionally, personal interviews are more effective in overcoming data biases that may arise in group discussions, where individuals' opinions might be influenced by others. The data collection process consists of three major steps: preparation, the interview process, and data recording. The first phase includes selecting interviewees, preparing a list of questions, and scheduling the interviews. The interviewees are chosen based on their expertise and relevance to the research problem, including stakeholders such as sales heads, marketing heads, business intelligence professionals, and business development experts. The detailed respondent profiles are listed in the table below.

Table 1. Respondent Details

Position	Experience in the company	Gender
Sales Head of Middle East and Africa Region	35 years above	Male
Sales Head of Africa Graphic Paper Photocopy Paper	20 years above	Male
Head of Commercial Excellence and Business Development	15 years above	Male
Product Head of Graphic Paper: Photocopy Paper	15 years above	Female
Sales Manager of Africa Graphic Paper Photocopy Paper	10 years above	Male
Branding Head of Business Unit Graphic Paper	10 years above	Male

The interviews will be semi-structured, allowing for additional questions based on the flow of the conversation. The interviews will be conducted offline or via online video conference, depending on the availability of the informants. Interviewee selected based on their expertise and experience in the company. They acted as a proxy of customer due to limitation to obtain data directly from customer.

Secondary Data

Secondary data for this study will be sourced from a variety of materials, including trade reports, market research publications, and industry databases such as Statista and TradeMap. These sources provide valuable insights into global and regional market trends, economic conditions, and paper consumption patterns. Additional data will be obtained from government trade and export reports, as well as publications from international industry associations related to the paper and pulp industry. Company records and financial reports from LMD will also serve as essential secondary data sources, offering insights into historical market performance and strategic initiatives within the African region. The integration of primary and secondary data will ensure a comprehensive collection of information to support in-depth market analysis and strategy development.

Data Analysis Methods

The qualitative data collected will be analyzed through both offline and online interviews. Transcripts from online interviews will be manually coded to identify key themes and patterns. The interview sessions will be transcribed from recorded or written conversations using software such as Microsoft Teams. Following transcription, the data will be edited and verified to correct

any errors. The final, refined transcripts will form the basis for generating insights that align with the research objectives and questions.

The Analytical Hierarchy Process (Fuzzy AHP) will be employed to evaluate and prioritize strategic options by integrating structured decision-making with qualitative insights. To incorporate expert judgment, qualitative data will be collected through in-depth interviews with sales and product management teams. These interviews will inform the development of decision criteria and sub-criteria relevant to market entry strategy.. The AHP method will be used to assess the suitability of multidomestic, global, and transnational strategies, as well as entry modes such as direct export, greenfield investment, and joint ventures.

Building on insights from the literature review, this study integrates various strategic analysis and business strategy formulation tools to assess the viability of the company entry into the African graphic paper photocopy market. The reviewed studies highlight the importance of market selection criteria, industry dynamics, and strategic decision-making, all of which influence international expansion strategies. By synthesizing these perspectives, this study constructs a conceptual framework that systematically evaluates both internal capabilities and external market conditions. This structured approach ensures a comprehensive understanding of the factors shaping the company market entry, leading to well-informed strategic decisions. The following illustration show the conceptual framework, detailing the factor used to select strategies and market entry (Figure 2).

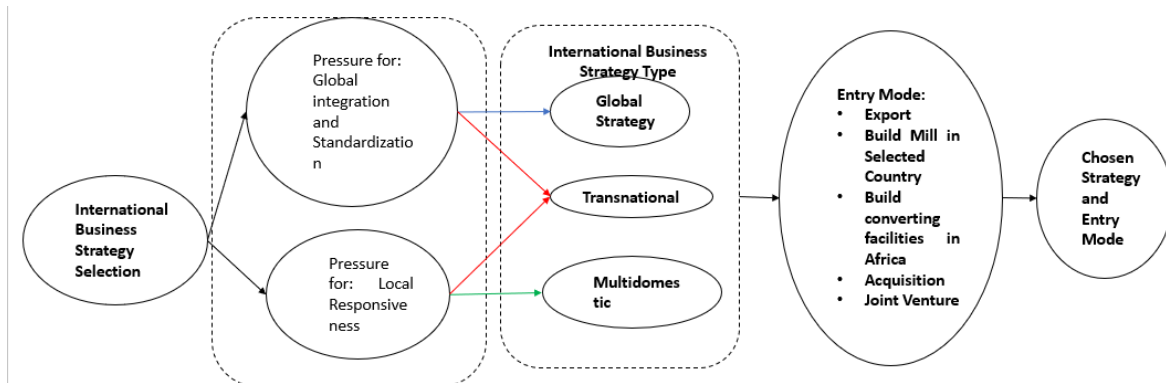


Figure 2. Conceptual Framework

This conceptual framework describes how the company chooses the best international business strategy and how to enter foreign markets, such as Africa. It starts by looking at two important challenges: pressure for global integration (standardization) and the need to adapt to local customer needs (local responsiveness). These two factors guide the choice of strategy. If the company faces global integration, a Global Strategy is recommended, focusing on standardization, efficiency, integration, and cost-saving across all countries. If adapting to local preferences is more important, a Multidomestic Strategy is preferable where it can customize products and services to fit each market. When both price and local needs are important, the company should choose a Transnational Strategy, which balances global efficiency with local adaptation.

RESULTS AND DISCUSSION

Result

External Analysis: PESTLE, Porter Five Force, Competitor Analysis, and Customer Analysis

The external environment analysis of the African market for copy paper, as assessed using the PESTEL framework, reveals a complex interplay of opportunities and threats. Politically, while trade agreements such as AfCFTA provide opportunities for tariff reduction and market expansion (Adeleke, 2023), persistent instability and corruption in several countries pose significant risks (Ekanem, 2025; Transparency International, 2024). Economically, although

Africa is predicted to grow at 3.5% in 2024 (Kuwono, 2024), pervasive poverty and high youth unemployment remain critical concerns (Kuyoro, 2023; Signe, 2025). Social factors such as rapid urbanization and cultural diversity offer opportunities for product localization and tailored marketing strategies (Ravindran, 2016; Statista, 2024). Meanwhile, technological disparities present both opportunities for traditional paper demand and threats from digitalization (Grand View Research, 2025; UN, 2023).

From the economic lens, the high rate of poverty and limited purchasing power across the continent significantly impact market feasibility. Although some countries are demonstrating robust GDP growth, such as Nigeria and Kenya, others are lagging, thus creating a fragmented economic landscape. Inflation, currency volatility, and infrastructural inadequacies further complicate business operations, particularly in import-heavy industries such as paper. However, countries with education reforms and growing business sectors like Ethiopia and Ghana indicate a steady demand for copy paper (World Bank, 2025; Trend Economy, 2024). The emergence of regional hubs, like Nairobi and Lagos, as distribution centers adds geographic leverage for companies considering investment or joint ventures.

Social analysis indicates that while Africa's youthful population is a double-edged sword marked by high unemployment, it also presents a vast untapped market for education-oriented products. Literacy rates exceeding 80% in countries such as Kenya and Ghana provide positive indicators for demand in educational sectors (Macro Trends, 2025). Moreover, consumer behavior insights show that African customers prefer colorful packaging over premium certifications, and their high price sensitivity shapes their purchasing behavior (Statista, 2023). This supports the adaptation of a multidomestic strategy, tailored to local preferences while leveraging economies of scale.

Technological disparities between developed and developing African countries reveal varying demands for graphic paper. In countries with low digital penetration, such as Ethiopia and Libya, the reliance on traditional paper products remains high (Grand View Research, 2025). Meanwhile, in more urbanized and digitally advanced markets, such as South Africa, the shift to digital alternatives poses a threat to traditional paper usage (Aliagan, 2023). Therefore, a hybrid market strategy balancing traditional product offerings in less digitized areas with diversification efforts elsewhere is essential for long-term competitiveness.

From a legal and regulatory standpoint, challenges include bureaucratic inefficiencies, inconsistent tax policies, and weak enforcement of property rights (AFDB, 2011). Despite these drawbacks, regulatory improvements are gradually being implemented, particularly under AfCFTA which aims to streamline cross-border trade (Kuhlmann, 2019). Environmental concerns such as droughts, floods, and landslides are another challenge, as they disrupt logistics and affect storage and product quality. These conditions necessitate resilient supply chain planning and disaster mitigation strategies.

Porter's Five Forces analysis identifies high industry rivalry and strong buyer power as significant pressures. Buyers, especially in the B2B sector, hold substantial bargaining power due to the commoditized nature of copy paper, making price competition severe. In contrast, the threat of new entrants remains moderate, mainly due to high capital requirements and infrastructure needs (AFDB, 2011). Supplier power varies; while the industry is vulnerable to import dependency, local sourcing and recycling programs offer relief. Substitutes, particularly from digital transformation, pose a moderate-to-high threat, especially in technologically advanced regions. Table 2 shows Competitor Analysis:

Tabel 2. Competitor Analysis

Resource/Capability	Competitor A	Competitor B	Competitor C	Competitor D
Integrated Operations (Forestry to Paper Production)	Yes – vertically integrated forestry, pulp, and paper	Yes – Fully Integrated forestry to paper	No – Relies on external parties	Yes – Integrated forestry to paper

Resource/Capability	Competitor A	Competitor B	Competitor C	Competitor D
Strong Market Presence in Africa (Branch Offices & Sales Network)	Yes – sales office in South Africa	Yes, established in South Africa and neighboring countries	Moderate – through distributor	Moderate – through distributor
Ability to Produce Uncommon Paper Sizes (B4, F4B, etc.)	Limited – Primarily standard sizes, uncommon sizes not specified	Limited – Primarily standard sizes, uncommon sizes not specified	Limited – Primarily standard sizes, uncommon sizes not specified	Limited – Primarily standard sizes, uncommon sizes not specified
Dedicated Customer Service & Claim Division	Yes	Yes	Yes	Yes
Self-Produced Pulp	Yes	Yes	No	No

Internal Analysis: Value Chain, VRIN, SWOT, and Strategy Selection

The internal analysis using the Value Chain framework shows that the company benefits from integrated operations from forestry to paper production which reduces costs and ensures supply reliability. Proximity to major shipping hubs like Singapore and control over internal port operations enhance logistics capabilities. However, dependencies on internal freight agreements and delays in approval for pricing negotiations are identified as operational weaknesses. A comprehensive ERP system (SAP) and dedicated customer service infrastructure support high efficiency in documentation and complaint resolution, albeit with room for faster inter-departmental coordination.

The VRIN analysis (Table 3) reveals that few of the company capabilities confer sustained competitive advantage. Notably, self-produced pulp is valuable, rare, inimitable, and non-substitutable, providing long-term strength. Other capabilities, such as integrated supply chain and control over shipping logistics, are valuable but temporary in nature, as competitors can imitate them through investment. The advanced use of SAP and business intelligence platforms offer no unique edge, as they are commonly used across the industry. Hence, innovation in customer experience and adaptive marketing may offer better differentiation in the future.

Table 3. VRIN Analysis

Resource/Capability	Valuable	Rare	Inimitable	Non-substitutable	VRIN Status
Integrated Operations (Forestry to Paper Production)	Yes – Reduces dependency on external suppliers and lowers production costs.	No – Some competitors have this infrastructure	Yes – Requires significant capital and regulatory compliance.	Yes – No direct substitute for self-sufficient operations.	Temporary Advantage
Proximity to Global Hub & Own Internal Port	Yes – More shipping options and operational efficiency.	Yes – Not all competitors have a direct hub advantage.	No – Can be copied by competitors with strategic location investments.	No – Alternative routes and ports can be used.	Temporary Advantage

Resource/Capability	Valuable	Rare	Inimitable	Non-substitutable	VRIN Status
Strong Market Presence in Africa (Branch Offices & Sales Network)	Yes – Close proximity to customers enables market responsiveness.	No – Other competitor also have similar type of sales in Branch Office.	No – Can be replicated with investment.	No – Online sales or distributors can serve the same purpose.	Competitive parity
Ability to Produce Uncommon Paper Sizes (B4, F4B, etc.)	Yes – Meets niche demand in certain markets.	Yes – Many competitors only focus on standard size A4/A3.	Yes – Requires specialized production setups.	No – Customers may find workarounds or resize paper.	Temporary Advantage
Exclusive Contracts with Shipping Liners	Yes – Ensures stable shipping rates and availability.	No – Several competitors have this type agreement contracts.	No – Other companies can negotiate similar deals.	No – Alternative logistics providers exist.	Temporary Advantage
Internal Freight Forwarder	Yes – Enhances logistics control and cost efficiency.	Yes – Few competitors have in-house logistics teams.	No – Competitors can develop similar capabilities.	No – External forwarders can replace it.	Temporary Advantage
Advanced ERP & Business Intelligence Systems (SAP, BI platform)	Yes – Enhances operational efficiency and decision-making.	No – Many large firms use similar technology.	No – ERP systems are available to all companies.	No – Alternatives like Oracle, Microsoft Dynamics exist.	No Competitive Advantage
Dedicated Customer Service & Claim Division	Yes – Ensures structured handling of complaints and documentation.	No – Can be implemented by competitors.	No – Customer service structures are replicable.	No – Alternative service models exist.	No Competitive Advantage
Self-Produced Pulp	Yes – Reduces cost fluctuations from external pulp markets.	Yes – Many competitors rely on third-party pulp suppliers.	Yes – Requires significant investment and long-term sustainability planning.	Yes – No true substitute for in-house pulp production.	Sustainable Competitive Advantage

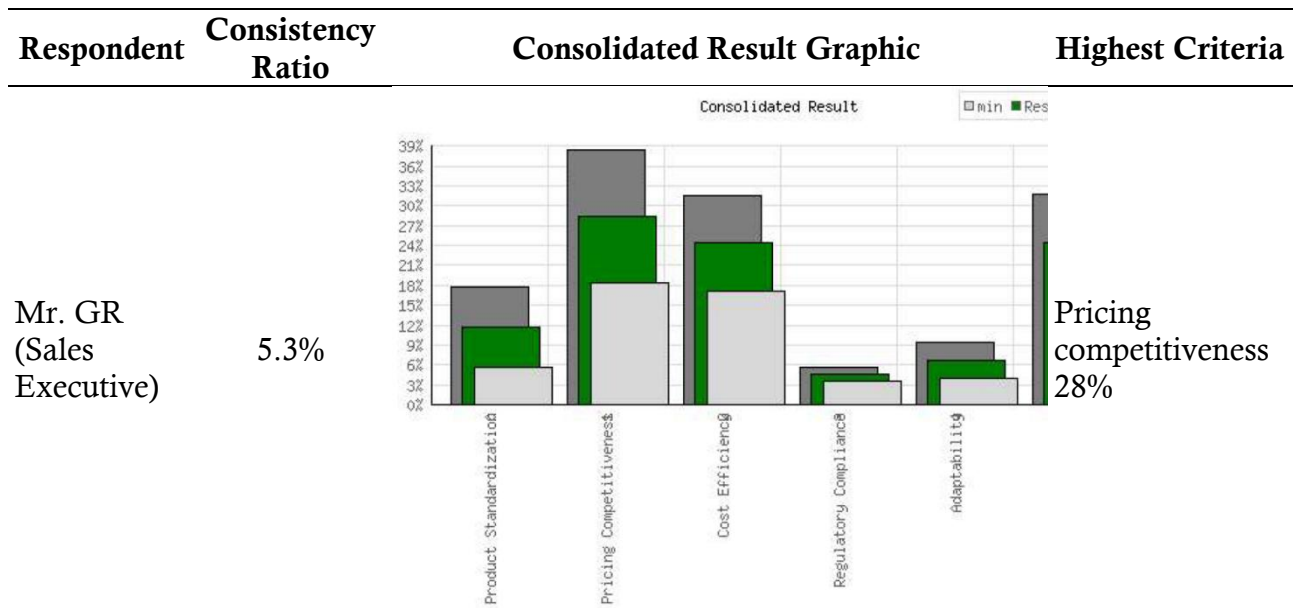
A SWOT synthesis underscores the need for a hybrid strategy. Strengths lie in production scale, customization capabilities, and branch presence in 24 countries. Weaknesses involve logistics rigidity and internal bureaucracy. Opportunities are vastranging from AfCFTA trade integration to educational reforms driving demand. However, threats from political instability,

market fragmentation, and aggressive pricing by global players like Competitor A and Competitor B necessitate vigilant risk management. Therefore, aligning cost-efficiency with local adaptability is key for success in the African context.

Based on external and internal analysis, the selection of entry modes and strategies is guided by AHP (Analytical Hierarchy Process). The main criteria cost efficiency, cultural fit, regulatory compliance, and pricing competitiveness are prioritized to align with African market dynamics. The results support a dual strategy: exporting to stable and accessible markets, while considering local partnerships or converting facilities in high-demand regions like Nigeria or Ivory Coast. This balance allows responsiveness to market shifts while preserving cost advantages. Table 4 shows AHP result.

Table 4. Each Respondent AHP Result

Respondent	Consistency Ratio	Consolidated Result Graphic	Highest Criteria
Mr. DP (Sales Head)	6.8%	<p>Consolidated Result</p> <p>min Result max</p>	Product Standardization 35%
Mr. BV (Sales Manager)	4.3%	<p>Consolidated Result</p> <p>min Result max</p>	Cultural fit 30%
Mr. FO (Sales Manager)	3.1%	<p>Consolidated Result</p> <p>min Result max</p>	Pricing competitiveness 23%



Each respondent's normalized priority weights across the six criteria were aggregated using the arithmetic mean method. The results are presented below:

Table 5. Final Aggregated Weight from Respondents

Criteria	Final Aggregated Weight
Product Standardization	0.2300
Pricing Competitiveness	0.2003
Cost Efficiency	0.1330
Regulatory Compliance	0.0748
Adaptability	0.1367
Cultural Fit	0.2253

To determine the appropriate international strategy, the six criteria were grouped into two strategic forces, product standardization, pricing competitiveness, and cost efficiency falls under global strategy. The remaining criteria such as Regulatory Compliance, Adaptability, and Cultural Fit falls under multidomestic. Table 7 shows Business Strategy and Score.

Table 6. Business Strategy and Score Table

Criteria	Score (AHP)	MD		G I S	
		Weight	W. Score	Weight	W. Score
Product Standardization	0.23	0	0	0.33	0.08
Pricing Competitiveness	0.20	0	0	0.33	0.07
Cost Efficiency	0.13	0	0	0.33	0.04
Regulatory Compliance	0.07	0.33	0.02	0	0
Adaptability	0.14	0.33	0.05	0	0
Cultural Fit	0.23	0.33	0.08	0	0
	1.00	1.00	0.15	1.00	0.19

Based on the analytical results, both the global and multidomestic strategic orientations demonstrate relatively high relevance, with scores of 0.19 and 0.15, respectively. The global strategy is particularly supported by the company's strength in price competitiveness, whereas the multidomestic approach highlights the importance of adapting to local consumer preferences and packaging expectations. Given that both dimensions present strategic value, a transnational strategy emerges as the most appropriate model for market entry. This strategy enables the

company to decentralize certain operations to respond to local market needs, while maintaining cost efficiency at a global scale. For example, establishing local production or converting facilities could significantly reduce logistics costs, while still offering products tailored to specific regional tastes such as preferred color tones or customized packaging designs.

Furthermore, this hybrid approach facilitates the delivery of affordable, market-relevant products while managing regulatory complexities and capitalizing on regional trade agreements. The transnational strategy, therefore, balances the pursuit of economies of scale with the flexibility required for market localization.

Insights from the informant (Vice President of Sales for the African region) further reinforce the strategic direction for market entry. According to his assessment, the selection of entry mode must be closely aligned with the tariff structures and regional trade agreements of target countries. Exporting is considered a viable option only in markets where import duties are minimal or absent. In contrast, areas with high import tariffs on finished paper products such as certain Northern African countries tend to favor imports from Europe, which benefit from preferential tariff treatment under the EURO 1 certification system. This system allows European exporters to access these markets with reduced or eliminated duties under existing trade agreements, creating a significant competitive barrier for Asian producers unless temporary supply gaps occur in the European supply chain.

In Southern Africa, the market is notably protectionist and highly competitive due to the dominance of local paper manufacturers such as Competitor A, which possesses a well-established supply network across the SADC region, including countries like Zambia and Tanzania. As described by the informant, “we have to fight in South Africa,” indicating the difficulty of penetrating a market saturated by strong regional players.

Conversely, the Eastern African region operating under the COMESA (Common Market for Eastern and Southern Africa) framework presents a more favorable environment for entry. Countries such as Kenya, Uganda, and Tanzania provide opportunities for joint ventures in the paper sector. Although import duties in these countries remain high, localized production through joint ventures allows classification of goods as regionally produced, thereby taking advantage of COMESA trade benefits.

Western Africa, particularly Nigeria, is identified as the most promising market in terms of scale and demand potential. However, the region is experiencing growing competition from new Chinese paper mills that are expanding their production capacities and supply chains. While this intensifies competitive pressure, it also affirms the robustness of demand in the region. Egypt, although attractive in terms of volume, poses currency-related risks due to recent economic instability.

Taking these factors into consideration, the Vice President emphasized that joint ventures represent the most strategic and secure mode of entry across various African regions. This model not only circumvents high import duties but also enhances market access and builds local credibility. The statement “it’s safer once you have a joint venture” encapsulates the importance of forming local partnerships, especially in markets characterized by regulatory complexity or entrenched domestic players. Moreover, joint ventures are perceived as a more sustainable entry model, particularly in regions with high paper consumption and strong regional integration frameworks, such as COMESA and the MENA (Middle East and North Africa) bloc.

Discussion

The findings from the external and internal analyses highlight that entering the African copy paper market requires a nuanced strategy that balances standardization and local adaptation. The relevance of the PESTEL framework is reinforced in identifying critical macro-environmental factors shaping international operations. Opportunities such as trade liberalization through AfCFTA (Adeleke, 2023) and urbanization trends (Statista, 2024) incentivize market entry. However, these are tempered by political instability, corruption (Transparency International, 2024), and technological disparities (UN, 2023). One sales

manager noted, “Entering a market without understanding its local volatility especially in West Africa would be a costly mistake. We need to adapt our go-to-market approach to each region.” This perspective affirms that a purely standardized strategy would be insufficient, hence supporting the adoption of a transnational or multidomestic approach.

Porter’s Five Forces analysis further supports strategic flexibility. High buyer bargaining power and intense rivalry indicate a hyper-competitive industry where cost leadership is essential. A product development lead explained, “Price sensitivity is extreme in some African markets; we can’t compete unless we optimize local distribution and reduce landed costs.” While high capital requirements and regulatory complexities limit new entrants (AFDB, 2011), the digital shift poses a substitution threat (Aliagan, 2023). As one respondent put it, “Digitalization is creeping in fast, but there’s still a strong demand for paper in government and education sectors, especially outside capital cities.” This underlines the value of segmented strategies, focusing on less digitized regions while preparing for long-term diversification.

Internal analysis using the Value Chain and VRIN frameworks shows the company holds temporary advantages via vertically integrated operations and logistics proximity. Yet, these are not fully inimitable. A product operations manager noted, “Our edge is the pulp we control quality and cost. If we lose that, we lose our buffer.” Indeed, the self-produced pulp stands out as the only VRIN-qualified resource, vital for navigating Africa’s price-sensitive markets and shielding against global supply shocks.

SWOT synthesis supports this view. Opportunities emerge from AfCFTA-led integration and literacy-driven markets like Kenya and Ghana (World Bank, 2025; Macro Trends, 2025), where the company adaptability and product range align well. However, threats ranging from unpredictable import duties (Trend Economy, 2024), foreign exchange controls (World Bank, 2025), to political instability demand risk-aware, flexible responses. One strategic planner remarked, “Joint ventures or OEM deals help us share the risk, especially in places like Nigeria where regulations change overnight.” This reinforces the value of market-specific models, such as OEM partnerships in Ivory Coast and joint ventures in Ethiopia or Nigeria, to balance operational control with responsiveness.

Finally, the application of AHP provides a structured lens to assess competing strategic priorities. This method, underpinned by stakeholder inputs, translates qualitative judgments such as the perceived weight of cultural fit or regulatory compliance into quantifiable outcomes. In an increasingly volatile global environment, decision-support tools like AHP, rooted in theoretical models (Yip, 1989), are essential to mitigate misalignment and enhance strategic resilience.

CONCLUSION

This study has explored the strategic prospects of the company potential entry into the African copy paper market by evaluating both external environmental conditions and the firm’s internal capabilities. The analysis reveals that Africa offers a dynamic yet challenging landscape, marked by demographic growth, regional integration, and increasing demand contrasted with political uncertainties, infrastructural limitations, and market fragmentation.

Internally, the company possesses several operational strengths, such as a vertically integrated supply chain, efficient logistics, and a proven capacity for product customization. These advantages, however, are not inherently sustainable unless reinforced through continuous innovation, local responsiveness, and strategic agility. African consumer behavior tends to prioritize affordability and locally resonant branding over global uniformity, suggesting that success will depend on the company’s ability to balance global efficiencies with local relevance.

The strategic tools applied in this research advocate for a hybrid strategy that combines elements of multidomestic and transnational approaches leveraging cost leadership while maintaining the flexibility to adapt to local market nuances. In sum, the long-term competitiveness of the company in Africa will depend on its ability to integrate internal strengths with market-specific strategies and proactively navigate external risks.

Recommendations

Based on the study's findings, several strategic directions are recommended to support the company expansion into the African copy paper market. First, the company should prioritize establishing converting or light manufacturing facilities in key markets such as Kenya, Nigeria and Ivory Coast, leveraging their large consumer bases, favorable trade environments, and strategic geographic positions. This localized approach would not only reduce logistical costs but also enhance responsiveness to regional demands. Alongside this, the company should maintain its cost leadership while customizing products and packaging to align with local preferences particularly in the education and office supply sectors, where consumers favor affordability and distinct design features like specific colors and non-standard sizes.

To strengthen market access and reduce operational risks, building partnerships with local distributors, government bodies, and educational institutions is essential. In high-risk markets such as Ethiopia and Ghana, joint ventures or OEM collaborations can offer a more secure and informed entry route. Moreover, the company is advised to invest in real-time market intelligence systems to monitor shifts in consumer behavior, digital infrastructure, and regional development. Such data-driven insights will enable more adaptive pricing, inventory, and distribution strategies.

A phased market entry strategy based on AHP priorities is also recommended initially focusing on regulatory compliance and cost efficiency, followed by attention to cultural alignment and long-term scalability. To complement this, the company should undertake primary market research to gather direct insights into customer behavior, brand perception, and purchase drivers, which are crucial for precise market segmentation and effective localization. Further financial feasibility studies are necessary to assess the viability of joint ventures, particularly in terms of investment, operating costs, ROI, and potential government incentives.

Finally, although sustainability was not a focal point of this study, future research should explore the role of biodegradable and recycled paper products in enhancing market positioning especially in environmentally conscious regions such as Europe and North America. Expanding into sustainable product lines could provide LMD with additional competitive advantages in both emerging and developed markets.

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