



World Happiness Report

Data Analysis

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Purpose of the analysis

The current failure rate of a business expansions hovers at around 45%. This analysis is being done for the benefit of companies considering international expansion. The world happiness report is being examined to identify links between economic and social factors and the perceived well being of persons across different countries and regions.

The analysis is needed to identify the most suitable markets, and those on the verge of becoming suitable, for long term sustainable growth and mitigate expansion risks as much as possible. Factors which are explored such as perception of corruption and social support will give insight into whether a nation would even be able to support business operations.

The key objectives of this analysis are:

1. Compare countries and regions on their happiness score (composite score of socioeconomic factors) to evaluate relative attractiveness of the markets.
2. To provide recommendations on which regions/countries to target for expansion.

Data Preparation and Exploration

The following are methods used to explore and prepare the world happiness data set for analysis:

1. The original dataset contained data from 2015 – 2024 which was filtered to capture the last 5 years (2020 – 2024) for relevancy.
2. Each column was changed to proper type (Set the columns with GDP as currency, country and regional indicator as text, Happiness score, social support, Healthy life expectancy, Freedom to make life choices, Generosity, Perceptions of corruption as number)
3. Conformed country names (Argelia -> Algeria, Swaziland -> Eswatini, Czech Republic -> Czechia)
4. In instances where there was no value available in one year the average of the previous years was used in its place
5. Trim was used on columns with text
6. Average and mean was calculated for all columns with numbers and the lower bound and upper bound were calculated using the IQR method then Conditional formatting was used to highlight any outliers based on the lower bound and upper bound values
7. Column created names good business indicator which averaged the GDP per capita, Social Support, and Freedom to make life choices

Key findings

1. The region with the strongest business indicator over the past five years is North America and ANZ and very close behind is Western Europe. This indicates that both of these regions have on average higher GDP per capita, Freedom to make choices and socially supportive environments. These findings are illustrated in Figure 1.

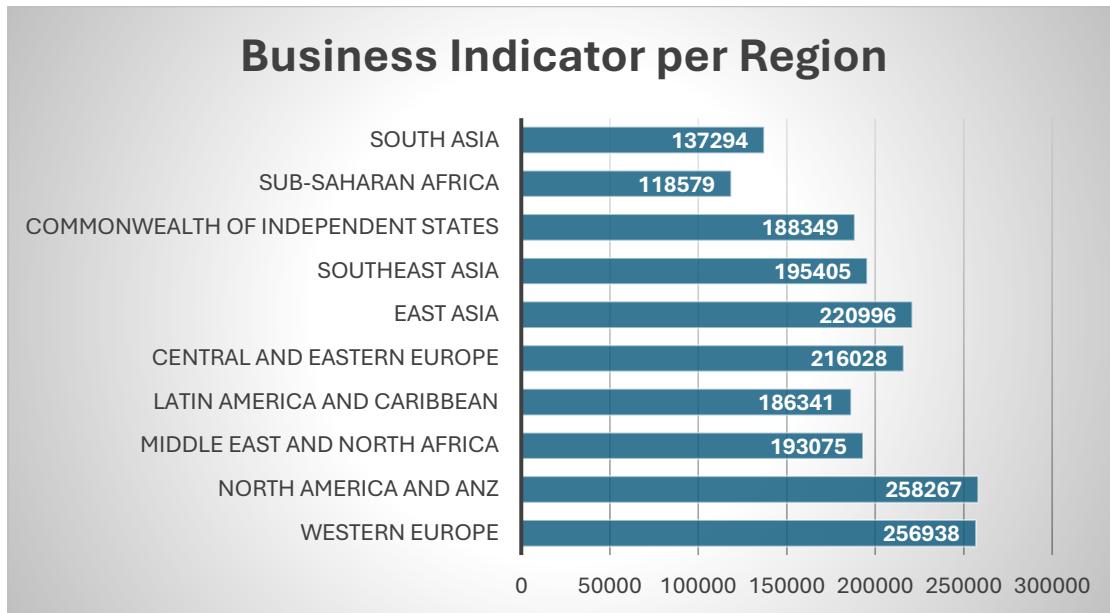


Figure 1

2. The country that has the highest GDP among those with below average perceptions of corruption is Luxembourg. This indicates high buying power in the country with lower risks.
3. The top 10 countries with improved happiness scores between 2020 and 2024 are: Kuwait, China, Armenia, Vietnam, Serbia, South Africa, Lithuania, Mozambique, Malaysia and Venezuela. This could indicate improving conditions and provide strategic advantages to a company that establishes itself ahead of future growth. These findings are illustrated in Figure 2.

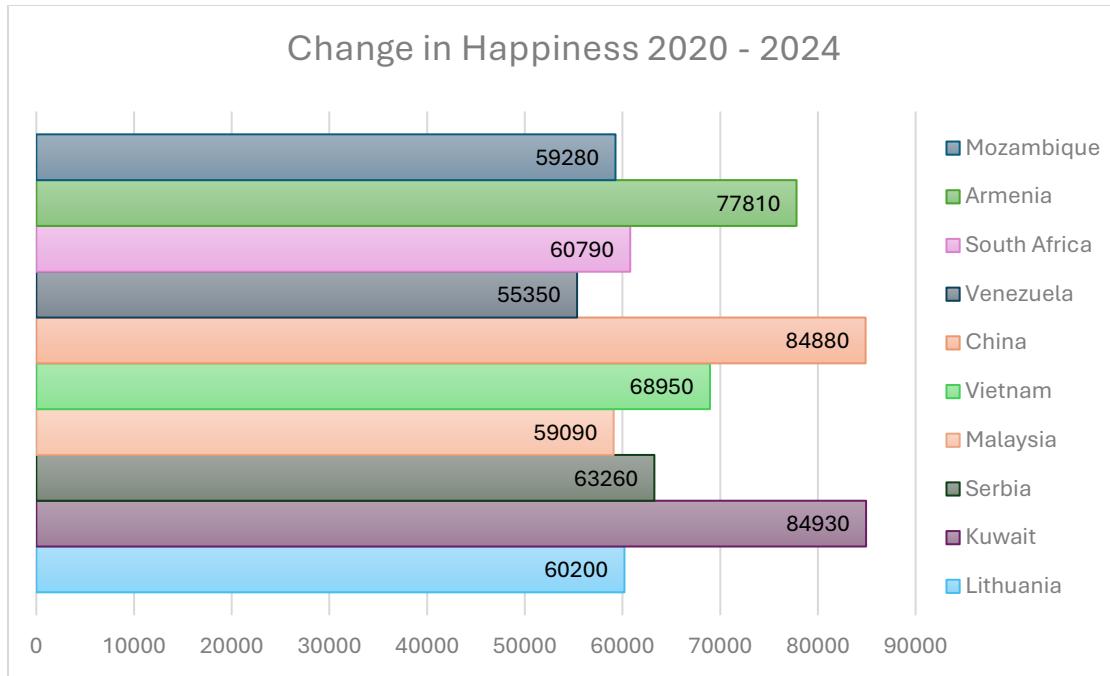


Figure 2

4. The region with the highest generosity score average over the past 5 years was Southeast Asia which ranks below average in terms of GDP. This could be indicative of a region that may be more engaging with companies that show greater social responsibility.
5. The region with the highest variation between a country's happiness scores during 2024 was the Middle East and North Africa. Israel was the highest at 734110 and Lebanon was the lowest at 270650. This disparity shows how important it is to do country due diligence even after identifying regional statistics.

Limitations

1. This dataset does not include any information on logistics which would need to be involved in the company's decision making
2. Some country data was missing in certain years requiring the use of averages and may not accurately reflect the true state of the country
3. Correlation does not equal causation and the indicators may indicate favourable conditions but cannot guarantee market success

Recommendations

1. Focus market research on countries in the North America and AZN and Western Europe regions. These show high good business indicators which may offer stability and favorable market conditions.
2. Luxembourg should be considered as a top option for companies who depend heavily on institutional trust.
3. Examine the countries with the most improvement in happiness scores to see if a move into the market could provide strategic advantages by entering while there is an upward trajectory.
4. Examine Southeast Asian countries if the company is geared towards social responsibilities and making a difference in the community.
5. Approach any expansion into the Middle East and North Africa with extreme caution as the socioeconomic conditions are very uneven across the region.

References

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