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In an increasingly interconnected global economy, the expansion of international companies into new markets has become a dominant strategic imperative. However, this approach is facing challenges that are complex and nuanced by cultural differences. Understanding these differences and their impact on business operations is crucial for companies that want to minimise risks and maximise opportunities when entering new markets. One of the key theories that has contributed significantly to the understanding of these cross-cultural attributes is Geert Hofstede's cultural dimensions theory. This essay will evaluate Hofstede's work by examining his six dimensions of culture and their implications for international companies. Furthermore, the essay will critically evaluate how the research can be used to minimise the risks associated with companies entering new markets. To provide a comprehensive perspective, Hofstede's framework will be compared with the Leadership and Organisational Behavioural Effectiveness (GLOBE) theory to identify differences and implications in the approach to cross-cultural business operations. The practical applications and limitations of Hofstede's work for international companies seeking to enter new markets will then be presented.

Culture is a multifaceted concept, and different authors have different perspectives on how to define it. Geert Hofstede, in the field of cross-cultural studies, classified these aspects as symbols, heroes, rituals and values (Hofstede, 2001). He emphasised that culture is not innate, but rather something that individuals acquire through socialisation in their specific social environments and circumstances. He further defined his extensive research into six dimensions of culture: "Power Distance, Uncertainty Avoidance, Individualism vs Collectivism, Masculinity vs Feminity, Long Term vs Short Term Orientation and Indulgence vs Restraint, which help to understand and compare cultural differences" (Hofstede and Minkov, 2010). In contrast, Hall (1976), an American anthropologist, approached culture from a communication perspective, dividing cultures into high-context cultures, in which much information is implicit, and low-context cultures, where almost everything is explicit. However, simplifying the complexity of culture to a single dimension is too vague, as culture includes the meaning of more than just communication patterns. A different approach was proposed by Douglas (1973), who addressed a two-dimensional framework for understanding culture. She distinguished between a 'Group' or inclusion, which refers to the claims of groups on their members, and a 'Grid' or classification which refers to the extent to which social interactions are congruent. The author has proposed an elaborate concept of culture that considers many aspects of social life. Hofstede's dimensions are consistent with these various definitions and offer a structured framework for analysing and comparing cultures.

Geert Hofstede's Cultural Dimensions Theory and Global Leadership and Organisational Behaviour Effectiveness (GLOBE) are two influential frameworks that carefully describe cultural nuances (Tung and Verbeke, 2010). This comparison aims to explore the differences and present their implications for business operations when entering new markets.

In Hofstede's Cultural Dimensions Theory power distance refers to the extent to which a society accepts and expects hierarchical relationships (Hofstede, 2011, p.9). In the GLOBE study, this dimension assesses the extent to which a culture values and accepts hierarchical relationships and inequalities in power and status. In practice, while Hofstede's model provides a broad understanding of power distance in society, the GLOBE model delves into how power distance orientation influences leadership and organisational practices in specific cultures. Regarding multinational companies, GLOBE power distance orientation offers a more practical insight as it allows leaders to understand how this dimension influences leadership expectations (House et al., 2004, p.88). Hofstede's framework can still be used to provide a broad cultural context, but GLOBE's balanced approach better addresses the complexities of leadership and organisational behaviour in a cross-cultural context.

Regarding the Hofstede power distance dimension, it offers information about the expected relationships between high and low-ranked members within an organisation. Consequently, knowing the power distance index of a foreign market can help the company to adjust accordingly to minimize risk while entering a new market. For example, if the target market has a high-power distance culture (Japan), the company can prepare for more hierarchical business interactions and adjust the decision-making processes (Martinsons et al., 2007, p.284-300). Moreover, it can assist in the selection process of the leadership, ensuring effective team management within the local power distance context. By doing so, international companies can minimise leading to misunderstandings and poor communication with the company's local stakeholders.

Hofstede's individualism vs collectivism framework determines the extent to which a country's citizens rely on interaction with each other (Hofstede, 2011, p.11). On the contrary, the GLOBE study divided Hofstede collectivism into two distinct ones: in-group, which indicates the level of an individual's expression of loyalty and community, and institutional, which assesses the degree of group cohesion and cooperation within larger institutions (House et al., 2004, p.367). Hofstede provides a single dimension to measure individualism and collectivism, making it simple to understand and apply. However, one major limitation is the lack of specific detail, as

it reduces complex cultural phenomena to a single dimension. (Signorini et al., 2009). The model assumes homogeneity within a culture, which may not always be accurate, as people in the same culture may have different values and behaviours, and the model does not take these differences into account.

By analysing and applying Hofstede's dimension, international companies can adapt their new market entry strategy and communication to local cultural norms. Respecting the collectivist values of the new market can reduce the risk of violating values and creating misunderstandings or cultural conflicts. Therefore, this has a positive impact on the company's image in the perception of the local community during the introduction phase of the new product. In addition, the company can provide staff training and development to help employees understand and adapt to the cultural expectations of customers and business partners in the new market. Staff training in foreign markets can significantly reduce the risk of introducing products or services that do not meet market expectations, helping to avoid losses associated with an unsuccessful market entry attempt.

Another dimension of Hofstede's framework is masculinity vs femininity, which helps to understand the impact of gender values on work-related attitudes and practices (Hofstede, 1980). The research was based on national averages, without taking into account regional and subcultural differences, which may have led to the perpetuation of gender stereotypes. In contrast to GLOBE, Hofstede did not explore the complex relationship between gender-related characteristics and leadership effectiveness in different cultural contexts. That approach would have provided a more sophisticated understanding of how gender roles influence leadership styles and organisational dynamics (Dorfman et al., 2012). Hofstede's research should consider the integration of more qualitative and contextual data, acknowledge the evolution of gender roles in different cultural contexts and consider the intersections of gender with other cultural dimensions.

Nevertheless, Hofstede's dimension can be used by international companies to minimise risks with new market entry, especially in managing gender dynamics and practices. As an example, IKEA has planned an expansion into Japan. In the context of the company's entry into the Japanese market, aligning the product and marketing strategy with local perceptions of gender ethnicity can reduce the risk of misalignment with local preferences (Reitz, 2018). Through research into consumers' decision-making processes and purchasing behaviour, the company can adapt its offering to the expectations of Japanese consumers (Chaipornmetta, 2010).

Striving for balance in marketing campaigns, considering local cultural nuances of masculinity, can increase engagement from Japanese customers, which in turn will contribute to success for international companies. Incorporating these elements will help to build a positive brand image in line with local expectations, resulting in easier market entry.

Hofstede's dimension of uncertainty avoidance reflects the extent to which individuals in a society are comfortable with ambiguity and uncertainty (Hofstede, 2011, p.10). This dimension assists in understanding how different cultures approach risk and changes, providing insights into their approach to rules, planning and decision-making processes. Hofstede provides a broader understanding of uncertainty avoidance in society, whereas GLOBE offers a detailed analysis of its impact on leadership behaviour in specific cultural contexts (Venaik and Brewer, 2010). Hofstede assumes cultural homogeneity within a country, which may not always be accurate due to the diversity and subcultures present in society. However, Hofstede's framework provides a fundamental understanding of cultural differences, offering companies a starting point for developing strategies to manage uncertainty and risk in different cultural contexts. As a result, organisations can use Hofstede as a tool for cultural analysis, understanding that cultural dimensions are complex and dynamic, requiring a multifaceted approach to successfully navigate cross-cultural interactions.

For this reason, the Hofstede dimension of uncertainty avoidance can be taken into account to minimise risks with acculturation and customer-centric culture by international companies entering new markets. One example is McDonald's, with its expansion into India, whose strong culture of uncertainty avoidance has highlighted the need for companies to respect local customs and traditions and navigate complex bureaucratic processes. To minimise risks with acculturation and customer-centric culture, Mcdonald's adapted its menu by introducing vegetarian dishes such as the McAloo Tikki burger with chicken or lamb instead of beef, which aligned the offering with the cultural beliefs of customers in India. Additionally, it promoted family dining experiences in its advertising campaigns, tailored to local festivals and customs, which contributed to a positive perception of the brand among the local community (Kavyasri and Vaijayanthi, 2022). To ensure a successful entry into new markets, international companies should prioritize understanding local food preferences and cultural norms, as evidenced by McDonald's adaptation in India. Moreover, it is crucial for companies to consistently monitor evolving consumer preferences and cultural dynamics to maintain their competitive edge and relevance within the market.

A further dimension relates to long vs short term orientation, in which Hofstede refers to the extent to which society values long-term traditions and values such as perseverance, frugality and respect for social obligations (Hofstede, 2011). It offers valuable insights into how different cultures approach time, traditions and social obligations. On the other hand, the GLOBE method goes beyond the analysis of long-term and short-term orientations by considering how these orientations affect decision-making processes in different cultural settings (House et al., 2004). Hofstede's oversimplification of cultural dimensions fails to capture the complexity and nuances of different cultural orientations across time. For this, the Hofstede dimension nevertheless remains a valuable starting point for understanding cultural differences and their impact on organisational practices and management approaches.

One example of a company that relates to Hofstede's dimension of long-term orientation is Toyota. Toyota's long-term approach also includes consistent investment in research and development and continuous improvement of production processes. This effectively minimises the company's risk of poor product quality and production problems, which contributes to its long-term success and competitiveness in the automotive market. In addition, Toyota focuses on building long-term relationships with employees, suppliers and customers. By reflecting Toyota's continuous investment in research and development and its constant commitment to improving manufacturing processes, companies can significantly minimise the risk of facing poor product quality and operational challenges in unfamiliar market environments. (Sosnovskikh, 2016). Furthermore, fostering lasting relationships with employees, suppliers and customers, as Toyota does, enables companies to establish a strong support network, ensuring smoother integration and adaptation in the new market. Adopting a Hofstede long-term dimension inspired by the Toyota approach not only promotes resilience and stability but also facilitates the cultivation of trust and loyalty, key elements for sustainable growth and success in entering new market.

Hofstede's last dimension is indulgence vs restraint, which reflects the extent how which a society approaches the satisfaction of its desires. This dimension provides an insight into how different societies approach leisure, gratification and self-control, showing the cultural approach to self-discipline (Hofstede, 2011, p.16). Hofstede oversimplifies cultural attributes, which cannot represent the multifaceted cultural values and behaviours in different societies. The GLOBE model in this case explores more deeply the Hofstede dimension affecting leadership styles, decision-making processes and organisational behaviour in different cultural settings (House et al., 2004). Despite these limitations, Hofstede's framework remains valuable

in providing an initial understanding of cultural differences by recognising the dynamic and evolving nature of cultural values and behaviours.

An example is Starbucks' expansion into China, a country with a collective culture that often emphasises restraint and traditional values. Starbucks has prioritised creating a comfortable and relaxing atmosphere in its Chinese shops, in line with the traditional Chinese emphasis on peace and harmony. This approach has enabled Starbucks to build a strong brand presence in China and create a loyal customer base that appreciates the combination of traditional Chinese elements with Starbucks' global offering. Understanding and embracing the Hofstede dimension of indulgence vs restraint allows international companies to minimise the risk of cultural misunderstanding, enabling them to better align their offering and business strategy with local preferences and values while entering a new market.

In summary, Hofstede's research on cross-cultural attributes provides a valuable framework for international companies entering new markets that helps to adapt their strategies and operations to specific cultural contexts, minimising the risk of cultural misunderstandings and conflicts. Although the Hofstede model provides a comprehensive starting point, it is important to recognise its limitations in capturing the complexity of different cultural orientations. Nevertheless, its application to real-world situations highlights the practical importance of Hofstede's framework in guiding multinational companies to navigate cross-cultural complexity and achieve successful global expansion.

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