

# Cultural Environment Impact on Corporate Management

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**Abstract:** The swift evolution of China's foreign trade, has introduced a multitude of intricate challenges to its external commerce. National policies, societal norms, economic conditions, and cultural factors exert various degrees of influence over a firm's international operations. Notably, cultural disparities emerge as a significant influence on enterprises' cross-border conduct, particularly in the domain of cross-cultural communication. In sum, an examination of cross-cultural disparities in the business context is crucial for the contemporary globalized economy. By acquiring a nuanced understanding of cultural norms and practices, businesses can devise effective strategies for navigating various cultural contexts, preclude misunderstandings and conflicts, enhance communication, and exploit the advantages of cultural diversity. This study aims to examine Starbucks' internationalization as a representative instance. The intention is to unravel the mechanisms by which varying national cultures and cultural types influence internationalization, while also suggesting appropriate adaptive strategies. By doing so, the research aspires to provide a robust foundation for the creation and execution of China's internationalization strategies. The emphasis is placed on rendering pragmatic and implementable insights to facilitate the global expansion efforts of Chinese enterprises.

**Keywords:** Cultural differences, Transnational business, Countermeasures.

## 1. Theoretical Basis of Making Business in International

### 1.1. Basic elements of multinational business

Cross-border trade has become a major direction in the development of international trade. It allows for the efficient allocation of a company's resources, allowing for deep interaction between markets inside and outside the company and for the complete sharing of resources inside and outside the company. This is of great importance in promoting the development of domestic industry and improving the international competitiveness of domestic companies. When a company conducts international business, it inevitably goes through a series of both management and operational aspects.

### 1.2. Cultural differences in transnational action

The operational and management practices involved in multinational enterprises are often found in multiple countries, and the effects vary from country to country depending on their political, economic and cultural factors. It is therefore particularly important to understand the issues faced by companies in the different cultural contexts in which they engage in multinational management[[7]]. Based on Hofstede's model of national cultures, this project focuses on "rights distance" and "uncertainty avoidance", "individualism" and "collectivism", and "collectivism". collectivism", "masculinity" and "femininity", "long-term orientation" and "short-term orientation", "self-indulgence" and "self-restraint", the six dimensions of cross-border behavior, target market selection, business operation mode, corporate products and cross-border promotion are analyzed in depth, revealing the cultural differences between cross-border behavior and This book provides an in-depth analysis of corporate cross-border behavior, target market selection,

corporate operating models, corporate products and corporate cross-border promotion, revealing the cultural differences between corporate cross-border behavior and corporate cross-border behavior [[8]].

## 2. The Impact of Cultural Differences of The Business of Multinational Companies

### 2.1. The impact of language differences on business operations across borders

Language differences are an important factor in the multinational operations of a business and can have a profound impact on the business activities of the company. Language differences are not only differences in the language itself, but also in the different cultures and ways of thinking reflected in the language. This article will explore the impact of language differences on business operations across borders from three perspectives: communication, brand image and marketing strategies.

### 2.2. The impact of socio-cultural differences on internal operations across borders



**Figure 1.** The impact of socio-cultural differences on internal operations across borders.

### 2.3. The impact of different cultures on customer service across borders

**Customs and traditions.** Firstly, cultural differences are one of the main causes of differences in customs and habits. Cultural backgrounds, values and habits of different countries and regions can influence people's customs and habits. In a company's cross-border operations, ignoring cultural differences may result in the design of products or services that do not match the customs and habits of local consumers and fail to win their praise and recognition. Therefore, companies need to conduct in-depth research on local culture and understand the customs and cultural background of local consumers in order to adapt to the needs of the local market.

**Religious differences.** Religious beliefs are an important part of human culture, and the religious beliefs and cultural backgrounds of different countries and regions affect people's lifestyles, consumption habits, values and so on, which in turn affect the business activities of enterprises. This article will explore the impact of religious differences on business operations from three aspects: cultural differences, business ethics and marketing strategies.

Business ethics is one of the important factors that companies need to consider in their cross-border operations

**Artistic and aesthetic differences.** When it comes to design, companies should consider the impact of artistic and aesthetic differences.

Design is an important aspect for a company to consider when operating across borders. In different countries and regions, design styles and aesthetic standards may vary greatly. If a company is not flexible enough to adapt its design strategy, it may result in inappropriate product designs or failure to cater to local consumers. For example, in the Japanese market, companies need to take into account local consumers' desire for sophistication and detail, while in the US market, consumers are more concerned with the practicality and functionality of their products.

## 3. A Case Study of Starbucks' Multinational Operations Based on Cultural Differences.

### 3.1. Introduction to Starbucks and its multinational operations

Introduction to Starbucks. Starbucks was founded in April 1971 by three brothers, Baldwin, Bowker and Seeger, and began as a small shop in Seattle, USA, specializing in coffee beans, tea and spices. In 1983, Howard Schultz, the current chairman of the Starbucks Group, became a marketing executive for Starbucks. During his travels in Europe, he introduced Italian liquor and the business methods associated with it to the United States. [[34]] However, his business philosophy clashed with Starbucks' management team. Schultz moved from Starbucks to his own Italian coffee shop in 1985, using Starbucks beans to make his own coffee. In 1987, after the financial crash led to the sale of Starbucks, Schultz set about raising money to change the name of Starbucks to "Starbucks". By this time, Starbucks had gone from being a small restaurant in Seattle to one of the largest in the United States today.

-Starbucks Global History and Data

In 1971, Starbucks first opened its first coffee bean shop in Seattle's Pike Place Market in the United States.

Mr. Howard Schultz joined Starbucks in 1982 as Director

of Marketing and Retail

In 1987, Mr Schultz bought Starbucks and opened the first coffee shop there, specialising in the sale of coffee and espresso.

Starbucks entered a new period of growth following its successful IPO on NASDAQ in New York in 1992

In 2009, Starbucks launched an instant coffee called 'Via' which, in just ten months, reached \$100 million in global sales and established a network of over 40,000 outlets worldwide. [[36]]

Currently, Starbucks has 6,090 shops in China and about 35,000 shops worldwide. In 2022, Starbucks has a revenue over 32,200 million dollars.

**Mission Statement.** Making Starbucks the best coffee brand in the world, and staying true to its purpose as the company grows.

**Guidelines:**

Provide a good working environment for employees and create a working atmosphere of mutual respect and trust;

Diversity is a fundamental rule in our business;

Use the best standards when buying coffee beans and supply the best beans;

Enthusiastic approach to customer requests;

Positive contribution to society and the environment;

Increased profitability is the driving force and resource for sustainable growth.

**Special Features**

1. Humanistic care

The secret to Starbucks' success is the addition of a special ingredient to coffee: the 'human touch'. Starbucks has been putting this core value into practice throughout the process. This core value stems from and revolves around building 'relationships' with people and serves as a way to build brand value. Howard Schultz believes that the strongest and most enduring brands can only be built in the minds of customers and partners. Ultimately, a brand is a spiritual alliance and a community of interests, both inside and outside the company (between partners and between partners and clients). [[38]]

Michelle Gass, vice president of Starbucks' beverage division, said, "Our business is built on emotional bonds and mutual trust, and partnerships encompass all aspects of that vocabulary." These emotional ties are valuable and should be seen as an important asset to the business - the connection between its customers, suppliers, alliance partners and employees." From a coffee shop to a "coffee empire", Starbucks has shown us that a stable connection with customers is no less than a tangible asset. [[39]]

**Customer empowerment:** A key strategy at Starbucks is to communicate effectively with customers in the café, especially when they are with them. Each coffee apprentice must undergo 24 hours of professional training in customer service, sales techniques, coffee basics, coffee making and more. Coffee is born with an instinct to be patient with customers' requests and explain the different flavours and aromas while bravely making eye contact with them. Starbucks also makes suggestions to customers as a way to improve the connection with them. Each week, the company's leaders read customer feedback cards in front of the public.

**The wealth of employees:** Starbucks wanted to build a company that would bring a new way of life to consumers, while respecting and honouring the feelings and values of its employees. Howard Schultz believes that the company has achieved so much largely because of the 'partnership' it has developed with its employees. He says: "There is nothing I

am more proud of than the trust and confidence I have developed with our associates."

Starbucks employees call them "partners". Starbucks first introduced "coffee bean shares" in 1991, an option for all employees. In the mid-1990s, only 6 per cent of Starbucks employees left the company, a much lower percentage than hourly workers in the fast food industry, who left at 14 to 30 per cent.

The supplier advantage: Starbucks' customer relationship model extends to suppliers across the entire chain, including coffee bean farms, bakeries, cup makers and more. Starbucks is very rigorous in its selection and evaluation of suppliers. Starbucks spends a lot of money and resources on developing suppliers and ensuring that their relationships are long-lasting, saving conversion costs and preventing the impact of changes in suppliers on the company. Johnyamin, the company's vice president, says: "Losing a supplier is like losing an employee - we spend a lot of effort and money developing them."

## 2. Product features

### -Quality first

Howard Schultz The foundation of Starbucks quality is the finest re-roasted coffee beans, which have been the focus of Starbucks since its inception in 1971. As a result of the transformation, Starbucks has created a special buying system. They travel for years to regions such as Indonesia, East Africa and Latin America, dealing with local coffee farmers and exporters, sourcing quality beans from around the world to ensure that every Starbucks lover has access to quality coffee. Starbucks has a wide range of coffees and demands a high quality of coffee. For example, an espresso must be brewed for 23 seconds, while the milk for Starbucks' signature drink, the latte, must reach 150 degrees Fahrenheit and never go above 170 degrees Celsius.

To ensure the quality of its products, Starbucks adheres to four basic guidelines: one, Starbucks does not believe that any of its corporate partners can control the quality of its products very well; do not sell coffee beans that contain artificial flavors. Starbucks frowns upon the tarnishing of fine coffee beans with chemical flavors; while refusing to go into supermarkets, Starbucks is not willing to put their coffee into a plastic box in a supermarket and let it rot, so they choose the best coffee. Making the best bread is a constant quest.

### -Product Diversification

Founded in 1971, Starbucks is a global leader in specialty coffee shops, bakeries and the Starbucks brand. The company's retail offerings include over 30 of the world's finest coffee beans, as well as a large selection of handcrafted espresso and a wide range of coffee hot and cold beverages, a wide range of fresh and delicious assorted pastries, and a wide variety of coffee machines and coffee cups. In addition, the company works with joint ventures to manufacture and sell bottled coffee drinks, iced shaken double espresso and ice cream; manufactures and sells Starbucks coffee and creamy liqueurs at convenient locations outside of retail shops through marketing and distribution contracts, and continues to develop new merchandise and brands such as Tazo Tea and Starbucks Music discs.

In Starbucks shops, not only is there a full-bodied coffee, but also a wide range of fresh, delicious pastries. Together with the coffee, they form the perfect palate pairing. Starbucks is also constantly updating its product range to match the different seasons and different coffees. Each time a new food item is introduced, it can give you a new experience. Due to delivery requirements and freshness constraints, as

well as local taste acceptance, Starbucks food choices may vary from city to city and shop to shop [[38]].

## Market analysis

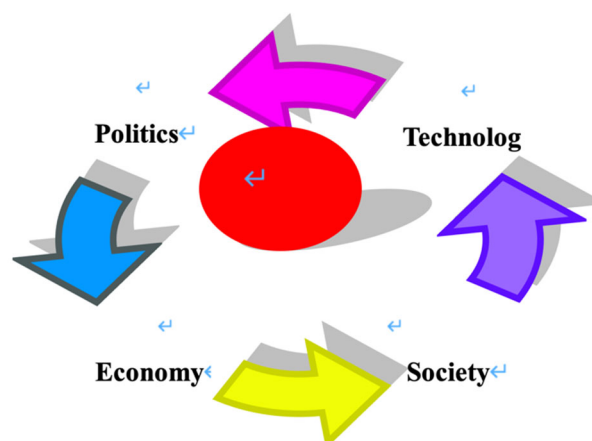


Figure 2. The PEST Model

Starbucks political factors:

1. contributing to the development of the economy and to the transformation of the coffee industry

Along with China's rapid development in recent years, the 12th Five-Year Plan also sets out the direction for a new round of China's development while taking stock of past experience. What is the direction of this new round of China's development? The main objective of the country's new five-year plan is to take economic development to a new level, thus taking the economy to the next level, while also expanding domestic demand and accelerating the formation of a new situation in which exports, investment and consumption drive economic growth. Coffee, cocoa and tea are known as the "three major beverages", and in these three major beverages, coffee is in the first place. So why is it that coffee has such an important position in China? It is because coffee consumption in China has become a trend and a fashion, or even a fashion industry [[6]]. This is because people are becoming aware of the functions and effects that coffee has. The government has therefore been committed to promoting a better integration of Chinese and world culture into the coffee industry, driving economic development through the introduction of foreign capital and at the same time creating favorable conditions for the development of the coffee industry in China.

2. Cross-border RMB direct investment with clear advantages of strong capital

An offshore DFI is a company incorporated abroad or a foreign investment enterprise whose parent company is an offshore enterprise.

Why promote the clearing of FDI in RMB?

In order to implement the Notice of the State Council on the Pilot Scheme of Cross-border Trade RMB Settlement, the Ministry of Commerce issued the Notice on Issues Relating to Cross-border RMB Direct Investment (Shang He Fa [2011] No. 45) on 5 January 2011, further clarifying the policy and regulatory requirements for cross-border trade RMB settlement business.

After more than two years of cross-border RMB transactions, Hong Kong has accumulated a considerable amount of capital. However, foreign companies, institutions and individuals are not willing to have more funds because there are not enough sources of capital. This move is thus conducive to the return of RMB and the betterment of foreign

capital into China. And in this case, Starbucks can take full advantage of this aspect by increasing its investment in Starbucks China and putting Starbucks' strong capital advantage to good use.

3. our political environment is less volatile and Starbucks is not involved in a monopolistic industry.

Starbucks operates a coffee service, which does not involve the country's monopolistic industries or scarce resources, plus the political environment in China will not experience major fluctuations for a long time to come. As reform and opening up accelerates and China encourages the entry of foreign companies, Starbucks will face a more stable political environment for its development in China. So the current stable political environment is the basis for Starbucks Coffee to develop its market.

4. Intellectual property protection, Starbucks intellectual property is protected

Under the joint organization of the Shanghai Intellectual Property Joint Conference Office and the Shanghai High Court, the top ten cases of intellectual property protection in Shanghai were selected after discussion by the selection committee, and Starbucks and other infringement cases were selected.

Economic factors:

1. the increasing globalization of coffee practices and the growing demand for coffee worldwide.

As the economy has developed, people's lifestyles have become more diverse. In the past, coffee was seen as a luxury drink, but today it has become an integral part of many people's daily lives. According to the agency, around 5.4 million tonnes of coffee are consumed in the world in a year.

In people's minds, the average person in Scandinavia drinks around 10 kg of coffee per year. This indicates a shift in the concept and philosophy of coffee consumption in the context of economic globalization, which is driving the continued growth in demand for coffee in China.

2. China's coffee industry has greater room for development and higher consumption levels.

China's coffee industry has a relatively broad development prospect and has a pivotal role in the global context due to its vast market and good future development trends. It is known that the annual consumption in mainland China is about 30,000-40,000 tonnes, but its annual consumption is growing at a high rate of 10%-15%. On the other hand, as China's economy and income levels continue to rise, consumers are demanding more from beverages such as coffee. It is understood that in the past few years, consumers have gradually pursued personalization and quality for coffee and other beverages. This indicates that the Chinese coffee industry still has good room for growth in the future.

3. Huge potential for coffee consumption in China

China is currently undergoing a period of rapid development, and as people's income levels rise, the consumer market has expanded, providing Starbucks with new opportunities for growth. People's rising income levels have enabled them to better meet their consumption needs, which has played an important role in Starbucks' growth. In addition, as people's income levels rise, they will also pay more attention to their consumption needs in terms of health and environmental protection, which will also bring more consumers to Starbucks.

The Consumption difference of Coffee in China 2022

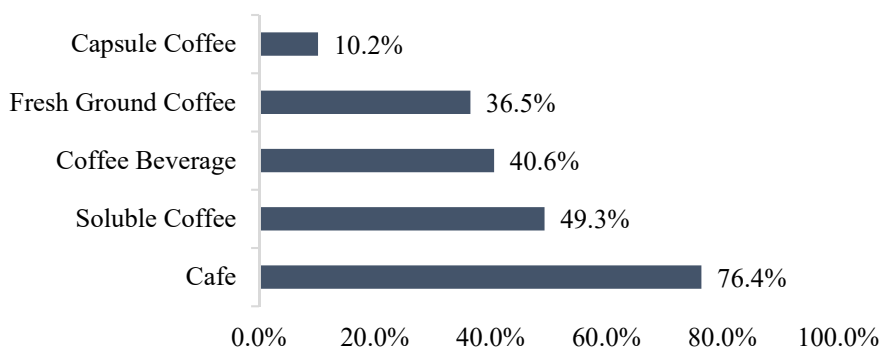


Figure 3. The consumption difference of coffee in China 2022

According to the above chart, coffee is mainly consumed in higher consumption places such as cafes, which is closely related to the per capita income and consumption level in China.

4. an increase in the radiation leading to coffee and an increase in the number of drinkers. More and more people are coming back from abroad, and they are surrounded by more and more people whose lifestyles are changing and, as a result, more and more coffee drinkers. According to Zhang Xiuchen, by the end of 2005, the proportion of Chinese students returning to China had exceeded 97%. Like in Europe and the US, coffee drinking has become a custom and therefore has boosted the coffee industry in China. According to a report on 22 June 2011, China's coffee consumption will continue to grow at an average annual rate of 15-20% due to factors such as overseas "returnees", overseas tourists and the continued

opening of high-end cafes, and is likely to leapfrog to become the most promising coffee consumption market in the world. The rapid growth of coffee bean consumption in the second and third tier regions and the growing share they occupy will be the main drivers of coffee bean consumption growth in China over the next 20 years.

5. the rapid development of many different coffee cultures and industries has led to an increased demand for coffee both geographically and demographically. Over the past few years, more and more people have come to enjoy coffee as a result of China's rapid economic and social development as well as the increase in people's standard of living and culture. According to survey data from research institutes, Chinese residents have a high level of awareness of coffee culture. At the same time China is one of the largest, most developed, promising and competitive coffee producing countries in the

world. And in the distribution of China's population, the proportion of people in second and third tier cities is increasing. In addition, the Chinese government is actively promoting the spread and popularization of coffee culture. All these factors have contributed to the continued increase in the level of coffee consumption by Chinese residents.

The likes of Starbucks, Shangri-La, True Pot, Famous, Two Coasts and many more are beginning to emerge as local cafes in China make their way across the country. Through various promotional campaigns, the coffee is reaching a larger and larger audience and the geographical location of the coffee is becoming more and more widespread. These cafes are not only popular locally, but also attract visitors and consumers from all over the globe.

#### 6. Investment wars in the coffee industry

(1) Vicious circle in the investment world: Despite the high risk involved in investing in cafes, more investors are investing in the cafes they invest in, with only 18% of them seeing the cafes they invest in as their primary industry.

(2) Many people have given up and started their own brands. These people see cafes as a highly competitive, marginally profitable and risky business, when they themselves would prefer to devote their energies to other areas.

And we believe that the competition in the coffee industry is far from over. With the development of the Chinese coffee market, the influx of a large amount of capital and the cross-border entry of traditional and internet companies into the coffee industry, the competition will become even more intense.

#### 7. China's coffee industry to continue to grow at a high rate

In recent years, China's coffee industry has developed rapidly and although China's coffee industry is still dominated by imports, domestic companies are actively expanding their markets abroad as the domestic market demand increases. At present, several local brands in China have started to enter foreign markets.

In addition, as consumers' demand for quality of life increases and foreign brands compete fiercely in the domestic market, local domestic companies have also accelerated their pace of development [[40]].

#### -Social factors:

##### 1. the acceptance and love of coffee is growing by the day

A study conducted in 12 mainland cities showed that 32% of citizens drink coffee, with young men and women mainly consuming it in coffee shops, while 35-year-old urban white-collar workers are the fastest growing group of coffee drinkers at home. This shows that coffee has become a common drink and is becoming more and more popular.

##### 2. increasing the potential consumer base

Some people don't love coffee, but they prefer the atmosphere, so they buy everything else, so there are a lot of potential customers here.

##### 3. Customer switching

Because of the high profile of coffee and the wide range of cultures in the country, customers are aware of the brands, styles and purity of coffee and know how to taste it. Nowadays, "cultural coffee" is growing at a very fast pace as a major coffee industry.

##### 4. young and younger consumers will be the main consumer group

In terms of Starbucks' consumer base, it is predominantly a younger demographic as it is inherently an exotic culture and a younger demographic is more receptive to it. According to

a study conducted in eight major cities, people prefer to eat mainly middle-aged and young people.

And there are many more men than women who drink coffee, and this is because men like it more. In other words, the younger young people, who are the ones who work in the cities, have their own financial base and can afford this type of expenditure and it doesn't burden them much. Therefore, coffee has also become a new fashion in a sense, attracting many people to try it. [[40]]

#### Technical factors:

##### 1. Scientific and technical conditions

The coffee beans are freshly ground and fried, the creamer is freshly baked, and the taste is rich and smooth. [[45]]

Because the taste of coffee is set in stone, Starbucks has fewer variations in its production process; also, external competition in technology is smoother. [[43]]

##### 2. The impact of information technology

The development of information technology will improve the operational efficiency of the Starbucks chain, enabling Starbucks head office to quickly understand the operating conditions of the major chains around the world and to guide them effectively [[41]]. Therefore, IT is the foundation on which the Starbucks chain is built.

#### Michael Porter's Five Forces

##### Five Forces Framework

On a global scale, Starbucks is currently a leader in all major global markets, facing a variety of opportunities and challenges. The author will use the Porter's Five Forces approach to analyse the dilemmas faced by Starbucks from an internal perspective. Before providing an overview of the Porter's Five Forces, a brief introduction to the Porter's Five Forces is required.

The "Porter's Five Forces" was developed by the famous management scientist Michael Porter. He first proposed the five forces theory in the early 1980s, which has profoundly influenced the strategic decisions of companies. It can be applied to a company's competitive strategy to provide an effective market analysis of the company's market.

#### The five forces:

1. the bargaining power of suppliers;
2. the ability of potential competitors to enter;
3. the substitutability of substitutes;
4. the current competitive ability of competitors in the industry.

#### Potential Starbucks Competitors

##### 1. Competitors in the coffee industry (COSTA as an example)

Starbucks is now number one in China in terms of number of shops, Costa is number two.

Firstly, from the point of view of Costa's position in the Chinese market, Costa Coffee, with its own territory, can quickly enter the Chinese market by working with Hualian and Yueda. By being "close" to Costa, it can save Costa a lot of money. Starbucks, on the other hand, has a deep cultural heritage and brand heritage, and by adopting a "solo" approach, it can save its own shops money while bringing the best quality to its shops, giving customers confidence in its products.

In the industry's view, Costa is operating in the same way as Starbucks, which has created a significant degree of competitiveness for Costa's development against Starbucks' development. Taking all of the above into account, we can conclude that Costa Coffee has considerable competitive power in the Chinese market. [[45]]

## 4. How to Deal with Cultural Differences in International Trade

When trading internationally, it is also essential to manage and administer the cultural differences that are apparent between the countries and territories in which they are located. Here are a few companies that can be used to deal with cultural differences between different countries.

-Understand the culture of their destination: Companies must understand the cultural background, values and customs of their destination. You can hire local staff, do market research, participate in local cultural events, etc. To understand a multinational company, you have to go through market research in order to understand its culture, consumer behavior, and the needs of the destination market. We can do this through online research, face-to-face interviews, group discussions, observation, and data processing. The second aspect is that multinational companies may hire good local staff to work on local marketing. Localized talent, in turn, helps companies to better understand the culture and market needs of local companies and thus better market themselves. The third aspect is that multinational enterprises can build up local marketing networks, channels, etc. for local enterprises by establishing a good partnership with them and through local enterprises having a better understanding of the culture and market needs of local enterprises. Fourthly, multinational enterprises can develop a deeper understanding of the culture and consumption habits of their destination countries through social media. Such platforms can provide users with relevant information about the local market, such as user preferences and fashion trends. Fifthly, companies can develop marketing strategies that are tailored to their own characteristics and tailored to their national context. For example, use local words and symbols to create local advertising and promotion.

Therefore, in order to gain a foothold and succeed in the region, it is necessary to understand the culture of the area in which you are based by all means.

Build an international team: Companies can build an international team, involving employees from different countries, which helps them to better understand and integrate into foreign cultures. Building an international team is a must for a successful multinational company. Firstly, multinational companies can recruit talented people with the appropriate skills and work experience from abroad or elsewhere to form an international company. At the same time, they can introduce local companies and businesses to the enterprise and contribute to a better understanding of the local market and the needs of customers. Secondly, in a multinational company, employees can be provided with the opportunity to communicate and train internationally with other companies, allowing them to better understand the corporate culture and operations of each country and region. This will help us to improve our employees' international perspective and intercultural communication. The third key point is that multinational companies need to ensure that their employees are able to work together with a common purpose and values. This can only be achieved if there is a clear group purpose and values, and if there is a group culture that enhances communication and understanding between groups. The fourth area is that multinational companies should provide platforms for communication and collaborative working across regions so that they can better communicate and work together with other companies. These include video conferencing, online collaboration platforms, instant

messaging and email.

Building an international corporate team is therefore a very crucial factor for a company. In this process, multinational companies should ensure that their internal personnel cooperate and communicate in various ways, so that they can play their different roles in different enterprises.

Adapting to where you are: Companies must adapt to where they are and adapting to where they are is a necessary condition for a successful multinational. The first aspect is that a multinational company must understand the local culture, such as values, social norms, manners, customs, etc. This can be done through market research, local employees and local partners. The second aspect is that the multinational company must adapt to the requirements of the local culture and market in order to localise the products and services it offers. This may involve the use of local materials and design, local language support and local customer service. Thirdly, multinational companies can employ local employees to better integrate into the local culture. They can bring a deep understanding of the local culture and market and a rich experience to the company, as well as help the company to understand the local market and customer needs. The fourth area is that multinational companies need to develop marketing and communication strategies that are appropriate to their own national context. This may involve the use of local words and symbols and the development of local publicity and promotion. Fifthly, multinationals must value local social responsibility, local cultural values and use this as a basis for supporting local communities and traditions. This will help multinational companies to gain local and national attention, as well as to enhance their corporate brand and visibility.

Ultimately, one of the key factors in the success of a multinational enterprise is its responsiveness to the local culture. In order for a multinational to develop well locally, it must gain the trust and support of local customers by understanding the local culture, localising its products and services, recruiting local staff, marketing and promoting locally, and paying attention to local social responsibility, so that it can develop well locally.

Training employees: In order for employees to better understand and integrate into their environment, companies must train them on several levels of their work. Firstly, for multinational companies, it is essential to train their employees in intercultural communication so that they can better understand the corporate culture and operations of each country and region. This will help us to improve our international perspective and to communicate across cultures. Secondly, in multinational companies, it is important to train their employees in foreign languages so that they can better communicate with local customers and partners. These help to improve employees' foreign language skills as well as intercultural communication. Thirdly, professional development: In multinational companies, employees are given appropriate professional development to enhance their business skills. This includes product knowledge, sales skills, customer service, and group work. The fourth area is that multinational companies must train their executives in multinational business in order to enable them to better navigate the multinational business team and better cope with the challenges of multinational business. This may include training in areas such as cross-cultural communication, teamwork, and international regulations.

It can be argued that effective training of employees is an

important factor in the success of a multinational company. In order to enhance the professionalism and intercultural communication skills of employees and to meet the challenges of multinational business, multinational companies must provide their employees with various types of training, such as: intercultural communication, language, vocational skills, multinational management and job training.

**Building a cross-cultural communication channel:** Companies must build a cross-cultural communication channel to ensure smooth communication between inside and outside the company. Firstly, multinational companies can employ a multicultural workforce that is better able to understand the various cross-cultural issues that companies face around the world. Secondly, multinational companies should provide intercultural communication training to their employees so that they can better understand companies and business situations in various countries and regions, and thus enhance their intercultural communication skills. The third point is that in order to enhance communication and reduce misunderstandings, multinational enterprises must provide multilingual services, multilingual customer services, multilingual websites and multilingual marketing materials. Fourthly, MNEs should make full use of various multimedia technologies, such as video conferencing, online cooperation platforms and SMS, to facilitate communication and cooperation between MNEs. Fifthly, multinational enterprises should organize frequent face-to-face meetings between multinational enterprises so that employees within the enterprises can communicate with each other and share the successful experiences of the enterprises. It can help improve group solidarity and the spirit of cooperation.

Therefore, building an effective intercultural communication channel is crucial for a multinational company. Multinational companies have to use various means, such as: employing intercultural teams, conducting intercultural communication training, adopting multilingual services, adopting multimedia technology, regular face-to-face meetings and conducting cross-cultural exchange programmes, to enhance intercultural communication and collaboration and thus ensure that their business can run smoothly and successfully in foreign countries and regions.

**Creating a climate of cultural inclusion:** Companies must inspire their employees to respect the various cultures and create a climate of cultural inclusion that will enhance the harmony between their employees and the company and the local community. Firstly, multinational groups must have an open organization, a common organizational structure and a common set of values. This will greatly benefit cultural exchange and intermingling between countries. Secondly, multinational enterprises should actively organize cultural events, such as international festivals, cultural exhibitions and cultural exchange meetings, to enhance the communication and integration of cultures within the enterprise. Thirdly, in multinational enterprises, cultural integration and collaboration between enterprises is facilitated by the formation of multiple intercultural teams consisting of multiple countries or regions. Fourth, companies should strengthen training for their employees in intercultural communication so that they can better understand the company they work for and the business situation in which they operate, thereby enhancing their level of intercultural communication. Fifthly, multinational companies should create a working environment with different cultural backgrounds, such as multilingual signs and multicultural

backgrounds, in order to strengthen their identification with the company and their identification with it.

Creating an atmosphere of integration into the corporate culture is therefore crucial to the development of the company. Multinational companies have to promote cultural integration and intercultural cooperation by establishing an open corporate culture, organising cultural events, building intercultural teams, conducting intercultural communication training and establishing culturally integrated workplaces to ensure that their business in different countries and regions can run smoothly and be successful.

**Finding a partner:** The business community can look for a local partner to help it better understand and integrate into the local culture and its relationship with the local community. The first aspect is that multinational enterprises should fully understand their business situation and the competitive model of the market in which they operate in order to select the most suitable partner; this can be done mainly by conducting a good market survey and analyzing the competitiveness of the business. The second aspect is that multinational enterprises can develop a network of local contacts, including business groups, industry associations, social groups, etc., as a way to expand their networks and increase their influence, as well as to find suitable partners. The third aspect is that multinational companies can participate in local industrial exhibitions and seminars to negotiate with potential companies, as well as to gain a better understanding of the business situation and development direction of the destination. The fourth aspect is that companies can identify local agents in the country who can assist them in developing the domestic market and carry out marketing and marketing activities for them. Fifthly, through cooperation with local companies, joint marketing efforts can be carried out to enhance international brand recognition and expand domestic market share.

Finding the right partner is therefore a very important factor. Multinational companies have to find the most suitable partner for themselves by market research, networking, attending industry exhibitions and conferences, finding local agents and conducting joint marketing to ensure that they are well positioned and successful in the local market.

If these measures are taken, they will enable the company to better deal with cultural differences across borders and thus enable it to achieve greater success in international markets.

## 5. Conclusion

In the contemporary milieu of escalating global economic integration, corresponding transformations in international commerce and consumption paradigms have been profoundly redefining the world's economic topography. Notably, cultural dissimilarities have surfaced as a salient variable impacting transnational business operations. Hence, the comprehension and management of these disparities have become an imperative for enterprises envisaging international expansion, especially for those emanating from burgeoning economies such as China.

The dimensions of cultural variances span a range of elements, including divergences in value systems, belief structures, communication modalities, decision-making processes, and the conceptualization of time and hierarchy. These divergences, when mishandled or misunderstood, can foster misunderstandings, incite conflicts, and potentially culminate in lost business opportunities, thereby jeopardizing a company's reputation and profitability. Thus, effective cross-cultural communication management emerges as a vital

skill in the current international business environment.

The research project at hand, with its focus on the influence of cultural elements in the internationalization processes of enterprises, holds high pertinence. Existing literature primarily gravitates towards quantitative analyses, leaving a gap in empirical investigations considering the multifarious roles that enterprises play within divergent cultural contexts. By addressing this lacuna, this study intends to offer pragmatic insights that can guide Chinese companies' international expansion strategies.

The case study focusing on Starbucks' internationalization serves as a tangible instance of how cultural acumen can expedite international growth. An examination of Starbucks' experiences aims to furnish a strategic blueprint that other firms could reference in their internationalization trajectories. The endeavor extends beyond advancing theoretical comprehension to provide implementable strategies for businesses aspiring to global growth.

In conclusion, the pertinence of this research topic rests in its potential to generate practical insights for multinational enterprises, particularly those situated in rapidly expanding economies like China. By scrutinizing cross-cultural variances and their ramifications on international business, the study can augment our comprehension of global commerce, facilitate effective decision-making, and bolster the successful international expansion of businesses. This pertinence is amplified in the current epoch of globalization, where an understanding of cross-cultural nuances is of paramount importance.

In light of this significance, this study embarks on multiple objectives. These objectives span from the investigation of cultural disparities' influence on cross-border business operations to the development of effective cross-cultural communication strategies. Addressing the lacuna in extant literature, a central aim of the study is to carry out empirical research that examines the multifaceted roles of enterprises during their internationalization processes across distinct cultural contexts. In this endeavor, Hofstede's theories are drawn upon, and the research incorporates an exploration of Starbucks' internationalization as an illustrative instance. The study seeks to elucidate how varying national cultures and cultural types shape internationalization processes. Moreover, the study aims to propose suitable adaptive strategies, thereby contributing to an enriched understanding of different cultural contexts and internationalization endeavors.

Beyond theoretical contributions, the study intends to offer a robust foundation for the formulation and execution of China's internationalization strategies, rendering pragmatic insights to facilitate Chinese enterprises' global expansion efforts. To achieve these objectives, specific research tasks are incorporated, initiating with a comprehensive literature review summarizing Chinese and international research on corporate culture and management with a focus on corporate internationalization. The aim is to identify gaps in current understanding and propose potential countermeasures.

To pursue the aforementioned objectives, the following tasks have been completed:

1. Conducted a comprehensive literature review on Chinese and international research relating to corporate culture and management, with a specific emphasis on corporate internationalization. This stage allowed us to identify key research gaps and propose potential solutions.

2. Undertook an in-depth analysis of the multinational business behavior of Chinese enterprises, focusing on their

target market selection, management models, and product and business marketing strategies.

3. Investigated and elaborated on the cultural differences encountered during the internationalization process. Starbucks served as a case study to understand how companies can effectively navigate cultural differences.

4. Summarized and analyzed Starbucks' internationalization strategies, with a specific focus on adaptation, localization, and differentiation strategies. The objective was to provide a strategic framework that other enterprises could potentially reference for their own internationalization processes.

Our comprehensive conclusion encapsulates five distinct chapters that collectively address the study's key themes and form a holistic understanding of the intricate interface between cultural variances and transnational commerce.

The initial chapter furnishes a comprehensive overview of cultural disparities and their interactions with international business, thereby establishing an intellectual foundation for subsequent analysis.

Following this, the second chapter embarks on a detailed exploration of how cultural disparities influence transnational operations of enterprises. This chapter delivers crucial insights into the convolutions entailed in managing cultural heterogeneity within the scope of international business.

Transitioning to the third chapter, we present a practical elucidation in the form of a case study examining Starbucks' transnational operations under the aegis of cultural differences. This exemplification concretely demonstrates the application of theoretical principles within pragmatic business contexts.

The penultimate fourth chapter proffers strategic countermeasures for corporations grappling with cultural disparities in their transnational business endeavors, thus providing actionable recommendations to circumvent cultural barriers and amplify cross-cultural proficiency.

Conclusively, the fifth chapter distills the culmination of the paper's findings, coalescing the divergent threads of discussion, and reinforcing the paramountcy of proficient cross-cultural communication and understanding for triumphant transnational operations.

The research delineates a compendium of strategies that enable enterprises to adeptly navigate cultural disparities by implementing efficacious cross-cultural approaches. Five seminal strategies were identified, namely understanding the culture of the destination, constructing an international team, adapting to indigenous conditions, conducting employee training, and fostering an environment of cultural inclusivity.

The paramountcy of comprehending the culture of the target destination, deemed instrumental to a company's triumph in international trade, was underscored. This comprehension could be realized through meticulous market research, recruitment of local personnel, and active engagement with local cultural phenomena. Complementarily, the formation of an international team emerged as a viable strategy for the company to attain profound understanding and integration into foreign cultures.

Moreover, the findings accentuate the necessity of acclimatizing to local conditions and nurturing employees through relevant training, thereby ensuring the company is aptly equipped to meet diverse market exigencies. The research further elucidates the indispensability of engendering an atmosphere of cultural inclusivity, entailing the respect and acceptance of various cultures and ensuring

employee inclusivity within the organization.

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