International Management and Leadership

Name

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Section I

The advancement of modern technologies has transformed the world into a global village. Through aspects of the new technologies, the rise of globalization has made the flow of information and sharing of ideas very easy. Therefore, international companies and businesses must embrace the fact that the both English and non-English speaking nations are open business opportunities. However, the aspects of new technologies such as the social and new media platforms may deform and improve the image of the international organizations by exposing both the negative and positive issues within the companies. This section analyses the state of Amazon, an American-based company in India as portrayed by one of the global television channels.

On January 26, 2017, an article by the CNN highlighted the current situation of Amazon in India, one of the company's major target markets across the world. According to Iyengar (2017), Amazon risks losing its Indian market and loyalty because of a set of errors involved in the operation of the company's business activities. The article states that Amazon does not observe the culture of the Indians. As a foreign company within the country, the Indian government and the people feels that the company is undermining their culture and religion (Iyengar, 2017). For instance, the company had to apologize for producing doormats containing the Indian national flag and flip-flops with an image of Mahatma Gandhi, a renowned freedom fighter. Similarly, Amazon plunged into another controversy after selling a skateboard containing Ganesha, the Hindu God (Iyengar, 2017). The opinion by the media users claims that the company has no iota of respect for the Indian nation as well as their gods. For them, humans step on doormats, flip-flops, and skateboards. Therefore having the images of prominent figures and gods on them is a symbol of rudeness and lack of respect for the culture and religion.

Companies should rely on such information and feedback from their different consumers. However, having a plethora of information may have both negative and positive impacts on the business. For instance, other foreign markets may use this information as a tool to victimize the company. Through this, the company may have difficulties in accessing the global markets due to the negative image. On the contrary, the company may use the information to improve its weaknesses. Specifically, from the Indian reactions, Amazon should consider the importance of people's culture when exploring the foreign markets.

Section II

Coke and PepsiCo are among the largest food and beverage stores around the globe. While the companies have largely explored the global markets in different countries, the United States' Foreign Corruption Act regulates their operations in every country. In the process of observing the provisions of this Act, Pepsi and Coke companies have faced several socio-cultural barriers in the foreign markets. This section explores the state of Coke and Pepsi companies in the Indian market.

Indians are well known for their cultural and religious sensitivity. Therefore, any international company targeting the Indian market must be ready to handle the problem of socio-cultural barriers limiting its operations. Both Coke and Pepsi companies, therefore, have faced several socio-cultural challenges in the Indian market. When the two companies entered into the Indian market, the greatest barrier was the Indian Culture. Both Coke and PepsiCo had difficulties with understanding the Indian culture (Agarwal, 2013). The initial attempts by the companies to launch their business strategies in India could not work because they did not understand the business culture of the country. Coca-Cola Company, for example, could not find capable employees since the Indians resented the idea of the market dominance by the global companies. Similarly, the environmental concerns by the Indian government presented a big challenge to the companies. During the first entry of Coke into

the market, the Indian Government through the Centre for Science and Environment (CSE) banned Coke and Pepsi products claiming that the drinks contained an excess amount of pesticides (Agarwal, 2013).

Although the two companies faced similar socio-cultural barriers, during the initial stages, PepsiCo prospered while Coke collapse. One of the reasons that made Pepsi thrive in the Indian market was the time of entry. The departure of Coke from India presented a great opportunity for Pepsi to explore the market. Therefore, Pepsi entered the market at a time when the Indians were in dire need of beverages and related products. By the time Coke was re-entering the Indian market, Pepsi had already established a strong foundation. Secondly, following the market culture of the Indians and fear of foreign dominance, PepsiCo created a joint venture with the Indian government that enabled the company to sell its products for a long time. This is something that Coke omitted. Moreover, when Coke returned in India after 16 years, the country's market had already established several local brands of soft while Pepsi was the leading brand making it difficult for Coke to sail its products to the top.

Like Coke and Pepsi, Starbucks Company has experienced cultural setbacks in the United Arabs Emirates. Although the company confesses that, it is not easy to control the changing cultural atmosphere of the country's coffee industry (Anastasiou, 2014); the company has mastered the art of keeping up with the UAE's market culture. For instance, the company recognizes the significance of the current and fresh designs in maintaining its customers (Anastasiou, 2014). Therefore, the company has managed to roll some outlets across the UAE territory such as the Abu Dhabi's Al Wahda and Shangri-La Malls.

Most of the global companies like Coke, PepsiCo, and Starbucks companies are among the leading food and beverage firms. However, cultural misunderstanding presents the biggest challenge to their property in the foreign markets. Therefore, cultural training is an essential requirement for expatriates in any country. Apart from elevating the chances of the

prosperity of the organizations in foreign countries, understanding cultural differences remains a significance tool for harmonious coexistence in the highly interconnected world.

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