Cultural Considerations

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Globalization has led to a scenario where firms are expanding into new territories and destinations across the globe. Such growth and expansion have been observed to help increase organizational success. However, venturing into a new market brings about many challenges, mainly because of the cultural differences that exist from one region to the next. In this scenario, a company based in the US is expanding into China. In the past, several companies, such as Best Buy, have failed while trying to expand their operations into the Chinese market (Chee, & West, 2017). With this in mind, the company in question needs to make various cultural considerations as it tries to enter the Chinese market. Aesthetic considerations are aspects of the culture of clients in the market that should be considered as the company expands into China.

One of the main cultural considerations that should be made by the company is to ensure that the products and services that it provides in the market are localized. The Chinese market is one where people do not accept products and services that are not in line with their cultures and practices. By localizing the products, the firm should ensure that aspects of the Chinese are entrenched in the products it delivers into the market. The second cultural consideration that should be made is to understand the cultures of the end-users. Other aspects include the demographics, way of life, and pain points (Chao, 2015). The Chinese culture and way of life are very different from that of Americans. People in China are sensitive to culture, and thereby the firm expanding into the market must guarantee that the products are in line with the way of life of the people.

It is also critical to prepare for technical difficulties when delivering the goods and services into the market. Issues such as language on the devices or products must also be considered to ensure that the Chinese people are able to enjoy the products and receive value for their money. The manuals for the products must also be in Mandarin to ensure that the consumers are able to understand how to operate them (Chee, & West, 2017). Cultural considerations should also be reflected in the advertisements and promotional campaigns that are developed. The company must ensure that the promotional campaigns are in line with the cultures of the people. What may be considered to be appropriate in the US may be categorized to be inappropriate for some of the locals who consume the products from the company.

Making cultural considerations about the Chinese market in the expansion strategy of the company is bound to have numerous negative impacts on the current strategy of the organization. In some of the cultural considerations that need to be made, additional costs will have to be incurred by the company in the new market. Increased costs are not desired when expanding into a new market since this leads to decreased profit margins. However, such changes must be made if the organization wants to be successful in the new market. The second negative impact is that it would lead to increased costs in HR since it is critical that the Chinese are hired by the company in the new market. These individuals are best-placed to understand the needs of the market and what customers in the market like. Despite being a negative impact, it would have a positive impact on the organization in the long-term.

Despite the negative effects of the cultural considerations on the strategy, the company should not change the approach that it is using while expanding into the Chinese market. Changing the approach would mean that success in the new market would not be guaranteed in the long-term (Chao, 2015). The considerations, if properly followed, will have long-term success on the organization in the new market. The company is bound to be a success in the Chinese market if it observes the cultures of the people and ensures that its products and services suit the needs and preferences of the country. There is a huge population of more than two billion people, and this could lead to heightened success. Such a large market would help cover the costs that are incurred to ensure that its products and services are in line with the culture of the Chinese people.

References

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