

International Business Communications

United Kingdom vs EU



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1. British Business Communications

Globalisation has been spread all over the world with regard to many different contexts. One of those contexts has to do with international business since that helps many companies to expand into the markets of other countries. International business is a term which is indicative of the fact that many businesses often have to operate across international borders, thus becoming multinational (Shenkar *et al.*, 2021). It is done by business organisations since they have to expand overseas as well as into other continents. In that way, they will be able to retain their significance in the respective industry of their choice and gain a competitive edge over their rivals who sell similar products or services.

The action requires a high amount of communication between the nations within which they have expanded. Within the context of international business, communication can be said to be the same as regular communication. The only difference is that it takes place across international borders (Szkudlarek *et al.*, 2020). In the study below, the introductory background of Tesco plc is going to be provided. Following that, the evaluation of the two countries of Romania and Lithuania will be conducted. After this, the communication barriers that Tesco may face while expanding into the countries of the European Union (EU) will be talked about. Next, the various challenges faced by foreign businesses in Romania are going to be discussed. Finally, appropriate recommendations would be suggested based on helping the business organisation to succeed in the new national market. A production challenge faced by Romania is the fact that it is currently facing a shortage of labour (Chivu *et al.*, 2020). That is the reason for which a lot of production and manufacturing has been hindered. Lithuania's industry has a poor level of supply chain management.

2. Background of Tesco plc

Tesco plc is a multinational corporation (or MNC for the short form) which has been based within the country of the United Kingdom. It is specifically based in the nation of Britain, and its headquarters also lie in the place of Welwyn Garden City, which is situated in the area of Hertfordshire in England (Tesco, 2023). It had first been founded in the year of 1919 at the East End of London by an individual with the name of Sir John Edward Cohen. The famous retailer has already expanded into several countries including the Republic of Ireland, Slovakia, Hungary, as well as even the Czech Republic. It is a very well-established and popular retail business enterprise in the UK for a broad range of varying reasons. That is owed to the fact that the country's population is now more than 65 million, in the year 2023, and is slated to increase even more in the following years (Statista, 2023). A large number of people, hence, purchase items from the company, thus increasing the number of prospects that are related to its business.

Tesco will be able to expand its business operations into the nation of Romania. The current population of this country in particular has been slightly more than 19 million inhabitants (Statista, 2023). The language which is spoken in this place is known by the name of Romanian. The unemployment rate in that nation is 5.6% (Statista, 2023). It means that it is quite high and that Tesco will be able to gain a lot of skilled labour.

The economy in that destination involves high incomes and can also boast a very skilled force of labour. However, it has lately been facing a high amount of shortage in that regard. The nation has a drastically fluctuating rate of inflation, and this year, it has been said to be at 10.68%, whereas in 2020 the number had been lower than 3% (Statista, 2023). It has lowered quite a bit since the previous year, nevertheless, it had been a lot lower in 2021 than it had been in 2022. The place is rather technologically advanced since its corporate business sectors have to utilise a large number of digital advertisements. Within the month of January of the current year, the number of individuals who use the internet has been almost 18 million (Statista, 2023). That has led to many of the people living there to use the platforms of social media to a great extent, the number of which is in the millions. That can help Tesco to promote all of the goods that it sells and reach out to a very large audience. The cultural heritage and the history of the traditions in Romania are very rich in nature. Analysing it will be able to aid Tesco plc in understanding the exact needs of the local residents of the demographics of the persons residing in it. For instance, they are widely known for their wood carvings.

3. Evaluation of Romania and Lithuania

Tesco has expanded into a few countries outside of the UK, and in spite of that, it can still expand into the retail markets of a few more. Two nations of the EU in which it can potentially operate in the future include Romania as well as Lithuania. The two countries whose names have been mentioned here are quite distinct from one another in terms of culture. The languages which are officially spoken in the nations also differ from one another. That happens on the grounds of the fact that, as has been mentioned above before, the one that is spoken by the domestic residents is known by the name of Romanian. On the other hand, the official language of Lithuania is the Baltic language called Lithuanian (Šumskienė and Baltrūnaitė, 2021). Romania consists of a society which is hierarchical on the basis of both age as well as economic and social class. One of the most negative aspects related to the country involves the factor that its society is very often discriminatory and exclusionary. An example of this is the idea that the Roma in the nation have been forced to face a large amount of social isolation and poverty (Gherghina, 2021). Despite that, Romania has quite a diverse group of citizens. That helps its workforce to be diverse as well. The country includes the Romani people, Hungarians, and

Germans as well, among others. Nevertheless, their numbers are not very large as the nation still mostly consists of people who are ethnically Romanian. The nation of Lithuanians, alternatively, is marked with respect for traditional norms and customs. The country is also divided among the socioeconomic strata of classes, that is, upper, middle, and lower. It has been said that the upper-middle and the lower-middle classes are the largest in size in Lithuania.

Lithuania is similar to Romania in terms of diversity in the backgrounds of the labour force. One of the differences is the fact that ageism is still more heavily prevalent in Lithuania (Zhang and Gibney, 2020). Romania is situated in the middle of South-eastern and Central Europe, where its inhabitants were historically rural residents. Most of Lithuania's residents have pagan roots and it is located in the southernmost part of North-eastern Europe. Romania's legislation is changing continuously, with special regard to its taxes (Lucian and Șoaită, 2023). Additionally, corruption and political instability reign supreme, which may make it risky for Tesco to expand there. Lithuania also provides some risks in this regard. As its culture is quite different from the UK, it may take Tesco a long time to analyse its market correctly. Even after that, the company may not be able to appeal to the consumer market effectively enough. Therefore, it may be more useful to expand into Romania. Hofstede's Cultural Dimensions Theory states that six categories define culture and are all able to analyse the distinctions among nations (Escandon-Barbosa *et al.*, 2022). They are the Power Distance Index, Individualism and Collectivism, Uncertainty Avoidance, Masculinity and Femininity, Long-term and Short-term Orientation, Restraint and Indulgence. PDI refers to the phenomenon of how easily less powerful entities accept the power dynamics. The UK scores low on this as individuals and organisations generally believe equality must be retained (Dhaundiyal *et al.*, 2020). Romania also scores low here, however, its score is higher compared to the UK. The UK is more individualistic, meaning its citizens are more self-oriented, whereas Romania is more collectivist since its residents prefer to live in harmony and are team-oriented. The former is masculine, which means it is achievement-oriented, while the latter is feminine, implying its nurturing-focused values. Both the UK and Romania tolerate uncertainties related to orthodoxies, thereby scoring low on the avoidance scale.

The UK gives freedom to its citizens and is therefore more indulgent than Romania. Romania has also begun to indulge more now, though it preferred to restrain earlier. Long-term-oriented countries reconcile their present challenges and actions with those of the past (Sent and Kroese, 2022). The UK and Romania are both long-term-oriented nations. That is why it may not be too difficult for Tesco to expand into the country after aligning its organisational objectives with the country's culture.

4. Communication Barriers for British Business

The expansion of a business into different countries requires it to interact with the new markets. It may then be faced with communication barriers (Daniels *et al.*, 2019). One main challenge that Tesco might face while expanding into Romania is the difference between the languages of the two nations. The official language of Tesco's base country is English, and Romania predominantly uses Romanian and is less relatively well-versed in English. Hence, the members working at Tesco should ideally learn Romanian as it will help them to advertise their products more extensively, which counts as an advantage for the company. Nevertheless, it is a difficult language to learn, and thus that will take time away from setting up the business and increasing sales. It may even prove to be quite expensive. Considering expanding into Lithuania may provide the same problem. Networking is crucial as it can help companies collaborate with the organisations of the nation they aim to expand into (Abbas *et al.*, 2019). It can also help in gaining more junior as well as senior-level employees. Tesco must therefore utilise the process of interaction, communication, and networking efficiently to be able to succeed in its expansion in Romania.

Foreign businesses face certain difficulties concerning communication when it comes to expanding into Romania. For example, Lidl, a German multinational retailer, was faced with hardship due to the trouble in learning Romanian. Many organisations often find it tough to expand into foreign countries due to linguistic and sociocultural differences with the base nation (Hennart *et al.*, 2021). Romania is a second-world country, which means that it is more developed than third-world nations and has yet progressed less than first-world ones. That is the reason why many foreign enterprises are unable to relate to their cultural traditions and societal norms. When Zara, the retailer based in a first-world country like Spain, expanded into the nation, it saw that the cultural norms were quite different. The fashion company found it hard to ensure that its new potential target market would be able to relate to what the firm offered (Popović-Šević *et al.*, 2021). That is why its expansion took a long time to complete. While Spain has become more open-minded, Romania has remained traditional. Nevertheless, both Lidl as well as Zara set up their business operations eventually and have been very successful in that nation-state ever since.

There are also other firms which faced troubles when it came to the case of expanding their business functions into the country of Romania. One such organisation is the pharmaceutical giant of the UK known by the name of GlaxoSmithKline (which is called GSK for short). It was found that initially, the new potential consumers had been sceptical with regards to trusting new foreign businesses that had been aiming to develop into their country (Hull and Clancy,

2021). That had happened regarding both cultural and linguistic differences. It had occurred on the grounds that the two countries back then were very different from one another.

5. Recommendations

As has been mentioned a few times earlier in this essay, any business entity needs to ensure that it can communicate well with a country that the objective of expanding into. Nevertheless, many of them face a large number of issues in that regard (Gupta *et al.*, 2021). That is the reason why several strategies and policies in relation to interaction and networking have to be recommended to them so that they can find it easier to aid their businesses in succeeding. Since it has been suggested to Tesco plc that it can attempt and proceed with expanding its business into the nation-state of Romania, a few suggestions are going to be provided to it. One such recommendation may include helping all of the members of its staff to learn the official language of the EU country. Knowing a country's national language allows corporate firms to understand as well as meet the expectations of their resident citizens (Rustamov and Mamaziyayev, 2022). It can be conducted with the help of extensive linguistic training sessions, and that will allow them to be more well-versed in Romanian. The employees will also feel more motivated if they are confident in speaking the same language as the majority of the potential target market.

Tesco should also conduct a thorough market research on the consumer demands and the retail industry of Romania. When organisations perform a critical analysis of the customer base of a country in which they have aimed to develop, it helps them to start preparing for expansion (Fraccastoro *et al.*, 2021). By first evaluating the differences in the buyers' trends of the UK and Romania, Tesco plc will be able to realise what it needs to make the progression worthwhile for the Romanian citizens.

6. Conclusion

On a concluding note, the potential business expansion of Tesco has been written about in detail. It has been found that among the differences that exist between the two EU nation-states of Romania and Lithuania, it is more beneficial for the British retail giant to expand into the former. That is owed to the fact that the culture of the UK is slightly more similar to that of Romania than that of Lithuania. Applying Hofstede's Cultural Dimensions Theory to the comparison of England with Romania has brought to light the similarities as well as differences between the two. For instance, Britain is more indulgent relative to Romania. However, their similarities show that they are both long-term oriented. The potential communication barriers which Tesco plc may face during the possible expansion include the differences in the official and widely spoken languages. It can be seen that Lidl and Zara faced linguistic and sociocultural

troubles while expanding their businesses into the selected country. In addition to that, communication strategies have been recommended to the retail business firm so that it can expand in the second-world country. One of those suggestions includes making sure that the employees learn Romanian so that interaction is easier.

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