

International Business Communication

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Introduction

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This essay will aim at evaluating how the Political, Economic, Sociocultural and Legal environment could impact on business communication strategy for a particular business. For this essay the chosen business is Coca-Cola. Coca-Cola is famous for its taste and branding. Coca-Cola was established in Atlanta in 1886 (Banks, 2016). Coca-Cola's unique taste and fizz make each drink memorable, making it the company's most popular (Yao, 2017). To satisfy a diversified customer base, Coca-Cola offers many beverages (Singaram et al., 2019). Diet Coke, Sprite, Fanta, and Minute Maid satisfy all tastes and situations. Coca-Cola stands out culturally. Coca-Cola represents joy, unity, and special occasions. The brand's catchy slogans and jingles have remained in popular culture for generations. Coca-Cola leads market penetration in over 200 nations (Muya & Mugambi, 2015). Quality, innovation, and sustainability dominate the beverage industry. Coca-Cola aids communities and safeguards the environment. Coca-Cola represents joy and unity. It has remained focused while adapting to modern consumers.

Main Body

International Business entails buying and selling products, services, and capital between entities located in various nations (Khanna et al., 2015). Foreign direct investment (FDI), international trade agreements, global supply chain management, and international transactions are all part of international Business. Different countries follow different communication rules. Communication in individualistic societies is often direct, unambiguous, and centered on getting the point through (High & Scharp, 2015). In individualistic societies, people put a premium on being self-reliant and taking credit for their own successes. On the other hand, countries with a strong collectivist ideology often use a more indirect form of communication (Thomas et al., 2016). Harmony, social cohesiveness, and relationship maintenance are highly valued in these cultures; hence communication tends to be more nuanced, implicit, and context-based (Thomas et al., 2016). In collectivist societies, members place greater emphasis on community goals than on their own. So, every country contains different ways of communication. While doing business in several countries' communication is very important for gaining success. Without following proper communication strategy, it is quite impossible to reach desired target (Bala & Verma, 2018). Coca-Cola must face Political, Economic, Sociocultural and Legal environment and that is going to impact on its business communication strategy. These impacts are describing below:

➤ Political Environment

The political environment consists of the policies of the government, the rules that are in place, and the level of stability (True et al., 2019). Political factors can make affect Coca-Cola's communication strategy in numerous ways:

Government regulations: Coca-Cola's ability to promote its products and brand may be affected by regulations governing advertising, labelling, health, and nutrition (Austin & Gaither, 2016). Coca-Cola, for instance, may need to modify its strategy and target audience considering tighter laws on advertising to youngsters.

Political stability: The presence of political unrest or armed conflict in particular places might influence communication techniques (Väyrynen, 2023). Coca-Cola may need to address concerns regarding product safety or adjust its messaging to prevent the public's opinion of the brand from being negatively impacted (Maani et al., 2019). Political conditions of some countries that affect Coca-Cola's communication strategies are given below:

Coca-Cola's strategy for communicating with Americans is shaped by controversies in politics (Gómez, 2019). During times of heightened social or political crises, Coca-Cola may try to resonate with consumers and show its social responsibility by connecting its messaging with current feelings or advocating for certain causes.

The government of China imposes strict censorship. Coca-Cola's advertising must comply with all laws. The company's messaging ought not to run counter to official government positions. To appease both the government and the public, traditional Chinese modes of communication highlight national unity and cultural pride (Banerjee, 2016).

All Coca-Cola EU communications must adhere to local law. EU priorities include consumer protection, environmental sustainability, and ethical marketing. It's possible that in the European Union, Coca-Cola will emphasize healthier choices, ethical production methods, and clear packaging (Lodorfos et al., 2018).

The political climate in India influences how Coca-Cola advertises there. The corporation may need to handle regional sensitivities and cultural differences due to the country's political diversity (Shirodkar et al., 2018). Coca-Cola may collaborate with celebrities or influencers in each region who share the company's political beliefs to reach the region's consumers (Jazani, 2017).

➤ **Economic Environment**

The economic environment is GDP growth, inflation, currency exchange rates, and the purchasing power of the average person (Lothian, 2016). The following are some of the ways in which economic variables have the potential to impact Coca-Cola's communication strategy:

Economic Growth and Market Opportunities: Coca-Cola may be able to increase its global market share if the economy of a particular country or region improves (Escamilla et al., 2021). Company messaging in such a situation could emphasize market expansion, product value, and industry leadership. Coca-Cola may highlight the ways in which its products and services might meet the changing expectations and demands of consumers in rapidly developing countries (Escamilla et al., 2021).

Consumer Purchasing Power: Coca-Cola's marketing approach is modified because of changes in customer spending power due to economic conditions (Zhang, 2022). Consumers' spending habits can shift because of a drop in discretionary income that often occurs during economic

downturns and recessions. Coca-Cola may need to revise its advertising to stress how cheap its goods are or how they can be used as a pleasure even if money is tight (Austin & Gaither, 2016).

Currency Fluctuations and Exchange Rates: Price and profit levels at Coca-Cola could be affected by shifts in the value of the dollar and other currencies (Zhang, 2019). If there are major shifts in exchange rates, the firm may need to consider modifying its communication strategy to explain any price adjustments or promotions to customers (Zhang, 2019). This will ensure that there is no opaqueness in the pricing structure and will help customers maintain their trust in the company.

Competition and Industry Dynamics: The level of competitiveness within the beverage business may be affected by economic conditions (Gerald et al., 2020). Alterations in the dynamics of the market, new entrants to the market, or competing pricing strategies all have the potential to impact Coca-Cola's communication strategy. To keep its market share and its customers' loyalty, the company may need to define its brand, emphasize its unique selling propositions, and explain its competitive advantages (Munteanu, 2015). Economic conditions of some countries that affect Coca-Cola's communication strategies are given below:

Coca-Cola's advertising in the United States places an emphasis on consumer commitment to the brand, product excellence, and new product development (Tien et al., 2019). The company may emphasize the breadth of its product catalogue, the variety of its flavors, and its ongoing commitment to meeting customer needs. Communicating a product's low price and high value can help lure customers of varying means (Tien et al., 2019).

China is Coca-Cola's largest consumption market (Soomro et al., 2021). Coca-Cola might highlight its interest in investing and creating jobs in China's booming economy. Coca-Cola's emphasis on product security as well as sustainability may potentially pique the interest of Chinese consumers, who are increasingly concerned with issues of product quality, personal health, and environmental sustainability (Yao, 2017).

Coca-Cola encounters both challenges and prospects in India (Drew, 2021). Communication in India may center on cost-effectiveness and value due to the country's large population and wide range of disposable incomes. Coca-Cola may encourage local sourcing, employment creation, and economic initiatives with the aim of establishing credibility and brand positioning among Indian customers (Banks, 2016).

Coca-Cola's marketing strategy in Japan is influenced by the country's high per capita income and relatively affluent population (Pendergrast & Crawford, 2020). It's possible that the company

will emphasize how nice it is to indulge in a Coca-Cola as a premium product. Communication strategies may place an emphasis on exclusive partnerships with local creators, limited-edition items, and high-end destinations to appeal to the discriminating tastes of Japanese consumers (Pendergrast & Crawford, 2020).

➤ **Sociocultural Environment**

Attitudes, values, habits, and ways of life are all part of what make up a person's sociocultural context (Piscicelli et al., 2015). Coca-Cola's marketing approach may be affected by the following societal elements:

Cultural Norms and Values: Consumer behavior and tastes are influenced by cultural norms and values, which in turn are shaped by a variety of sociocultural variables. When crafting its message, Coca-Cola must account for these cultural variations (Drew, 2021). It needs to craft messages that will connect with consumers in different cultural contexts by highlighting how well the company's products and services mesh with regional norms. This has the potential to strengthen relationships with customers and win their trust.

Language and Communication Styles: There are linguistic and cultural differences across nations. Coca-Cola needs to modify its marketing strategies to accommodate regional languages and modes of interaction. Ads, slogans, and other forms of marketing copy need to be translated into target languages with great care to ensure clarity and avoid misunderstanding (Ochonogor & Nwachukwu, 2019).

Social Attitudes and Trends: Sociocultural factors affect social views and trends, like caring about health and wellness, being aware of the environment, or being open to everyone. The way Coca-Cola communicates needs to keep up with these changes (Adler & Castro, 2019). For example, businesses may try to address growing health concerns by bringing attention to its efforts to offer healthier beverage choices or to encourage responsible consumption.

Cultural Sensitivity: Coca-Cola must show cultural sensitivity and refrain from doing anything that could be interpreted as rude or disrespectful to succeed in markets with a wide range of cultural norms (Robertson, 2017). Maintaining a positive brand image requires communication tactics that consider local sensitivities, such as those connected to religious views, traditions, or social norms. Sociocultural Environment conditions of some countries that affect Coca-Cola's communication strategies are given below:

Coca-Cola prefers to use a more straightforward approach to communicating in the United States due to the country's individualistic ethos (Milosavljevic, 2020). The messages are usually quite simple, with an emphasis on personal gain, uniqueness, and freedom of speech. Coca-Cola's marketing ads frequently feature distinctive people using the beverage in their own special ways.

Coca-Cola may tailor its messaging for the Chinese market to emphasize group cohesiveness, cultural continuity, and traditional values (Luo et al., 2015). Coca-Cola is typically presented as a symbol of goodwill and camaraderie in advertising. Coca-Cola commercials sometimes show people mingling and drinking soft drinks together.

Coca-Cola may use a more nuanced and implicit approach to communicating in Japan due to the country's high-context culture. Harmony, group dynamics, and common experiences could all be prominent themes in communications (Marlow, 2015). Coca-Cola commercials frequently feature people drinking soft drinks together or at festive occasions.

Coca-Cola's approach to communication may be more animated and participatory in Brazil due to the country's lively and sociable culture. Celebration, happiness, and music are common themes in the content (Tatlow-Golden & Garde, 2020). ³ Coca-Cola has long been a part of Brazilian culture, especially during celebrations like Carnival, and the brand's messaging captures the country's upbeat and joyous spirit.

➤ Legal Environment

Business operations are governed by a set of laws and regulations that make up the legal environment (Abbott & Snidal, 2021). The following are some ways in which legal considerations may impact Coca-Cola's approach to communication:

Advertising Regulations: Different countries have different rules about the content, claims, as well as disclosures of advertisements. Coca-Cola must follow these rules to make sure that all of its communication products meet the law. This includes following rules about advertising that is honest and doesn't lie, not making claims that aren't true, and following rules about certain target audiences, like children, or sensitive goods, like alcoholic drinks (Kraak et al., (2019).

Intellectual Property Protection: Coca-Cola's intellectual property includes its trademarks and brand names. The legal system is essential in upholding these liberties. Coca-Cola has a responsibility to protect and defend the intellectual property it owns from theft and misuse

(Fromer, J.C., (2019). The company's dedication to brand security and intellectual property protection may be highlighted in corporate communications.

Consumer Protection Laws: Consumer protection laws are the rules that govern the privileges and preferences of consumers, including concerns pertaining to the safety of products, labelling practices, and advertising procedures (Soomro et al., 2021). Coca-Cola is obligated to guarantee that its communication tactics are in accordance with these laws, delivering correct product information, transparent labelling, and adhering to standards pertaining to consumer safety.

Privacy and Data Protection: Coca-Cola has new challenges in the regulatory environment as it collects, uses, and stores customer data due to the growing concern for individual privacy (Linnander et al., 2017). Data protection rules require that any communication strategy follow certain guidelines, such as getting consumers' opt-in before collecting their data and using strong encryption to prevent unauthorized access.

Legal Environment conditions of some countries that affect Coca-Cola's communication strategies are given below:

Coca-Cola's strategy for communicating with Americans is shaped by controversies in politics. During times of intensified social or political crises, Coca-Cola may try to resonate with customers and show its social responsibility by connecting its messaging via current feelings or advocating for certain causes. Coca-Cola's communication strategies and topics may be influenced by political, health, sustainability, even diversity concerns (Kraak et al., (2019).

The government of China imposes strict censorship. Coca-Cola's advertising must comply with all laws (Banerjee, 2016). The company's messaging ought not to run counter to official government positions. To appease both the government and the public, traditional Chinese modes of communication highlight national unity and cultural pride. Coca-Cola may support public-service initiatives to enhance its public profile.

The political climate in India influences how Coca-Cola advertises there. The corporation may need to handle regional sensitivities including cultural differences due to the country's political diversity (Shirodkar et al., 2018). Coca-Cola may collaborate with celebrities or influencers in a given region who share the company's political beliefs in order to reach the region's consumers. Coca-Cola may coordinate their PR efforts with federal initiatives for social and environmental improvement (Jazani, 2017).

Coca-Cola must adapt its marketing strategy in Japan to the current political atmosphere. The Japanese place a premium on getting along with others and being polite in public. Coca-Cola in Japan may highlight these aspects to present the brand as a symbol of common ground and social harmony (Ivanaj et al., 2015). Coca-Cola may participate in social gatherings, annual festivals, and traditional activities to win over Japanese consumers.

Conclusion

This essay aimed at evaluating ¹¹ how the Political, Economic, Sociocultural and Legal environment could impact on business communication strategy for Coca-Cola. Though political, economic, sociocultural, and legal situations can create problems for companies, by comprehending and adjusting to the political, economic, sociocultural, and legal situations, Coca-Cola is better able to convey its brand message, win over customers' trust, adhere to legal requirements, and handle the challenges of doing business internationally. This makes it possible for the business to keep up its global presence, adjust to shifting customer demands, and carry on with its legacy of happiness, unity, and sustainability.

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