

Jenna Nowland

Eren Bilen

Data 400

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Research Idea #1 - INBM

Since my three-course sequence is related to International Business and Management (INBM), I evaluated the possibility that culture influences a country consuming a particular item. Specifically, a large company – like Coca-Cola – and how their label might not translate well to different cultures and regions. Put simply, since different countries have different cultural preferences, are Coca-Cola sales/performance effected in international markets?

To retrieve this data, I first analyzed how one can categorize cultural preferences. The Hofstede insights has a quantifiable way to detail a country's cultural emphases. Specifically, Hofstede divides culture into six categories: Power Distance, Individualism, Motivation towards Achievement and Success, Uncertainty Avoidance, Long Term Orientation, and Indulgence. It also gives a summary of norms that the country's culture embraces. For example, China's scores are 80 for power distance, 43 for individualism, 66 for motivation towards achievement and success, 30 for uncertainty avoidance, 77 for long term orientation, and 24 for indulgence; the explanation details that inequality amongst people is acceptable and people should accept their rank in society. Quickly, one can notice that such summaries and numbers given in each category can greatly differ to another country or region – such as the United States.

The next necessary data retrieval were the sales of Coca-Cola in each country. This was easily obtained via the Coca-Cola website. One can see which countries consume, or purchase, the most amounts of Coca-Cola. To make the study more straightforward, I excluded the

consumption of other Coca-Cola products like mineral water, coffee, tea – only the dark soda was considered.

When brainstorming models to use, the best insights would most likely come from an analysis of multiple models. I would first start with a scatterplot of a country's numeric culture emphasis along the consumption of Coca-Cola in a certain year. The best overall model comes from clustering the countries by their region or highest cultural emphasis to see how that translates to a difference in sales. By seeing sales by both region – for example, Asian Pacific vs Europe – and cultural emphasis – for example, a high Indulgence score – this clearly showcases any trends seen in the effects on Coca-Cola sales. No matter the model, it is important to mention that financial well-being of a country will affect Coca-Cola consumption – perhaps a country with a lower GDP does not consume as much as other financially strong countries. This is something one can consider in the data by retrieving GDP per country or average household income.

The findings of this study would be important for Coca-Cola, everyday consumers, and other large companies to understand. Coca-Cola would benefit from these findings to ensure they are not wasting resources on a country that does not promote profit. Consumers gain insight on why certain brands succeed in different countries since there is not a universal culture; this will allow consumers to understand how certain regions use their purchasing power when encountering foreign companies. Other large companies pay attention to educating themselves on these findings, so they know their products' potential in international markets. Overall, finding an answer to this question would allow large, capitalist companies to gain insights in an ethical way to not only capitalize off cultural preferences, but respect them in a way they never thought of before.

Works Cited

“Country Comparison Tool.” The Culture Factor Group, www.theculturefactor.com/country-comparison-tool?countries=china. Accessed 29 Jan. 2025.