DOI: https://doi.org/10.53486/sstc2026.v2.104
CZU: [81'246.3+316.72]:339.9

DIVERSITY DRIVES PROFIT: HOW LANGUAGE & CULTURE WIN GLOBAL MARKETS

DIVERSITATEA GENEREAZĂ PROFIT: CUM LIMBA ȘI CULTURA CUCERESC PIEȚELE GLOBALE

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Abstract. *În peisajul economic contemporan, expansiunea companiilor pe piețele internaționale implică în mod inerent interacțiunea cu diversitatea lingvistică pronunțată și culturală. Deși aceste diferențe sunt adesea receptate ca fiind impedimente structurale, ele pot fi convertite în avantaje competitive strategice atunci când sunt gestionate prin prisma unei înțelegeri profunde a contextului local. Prezenta lucrare își propune să examineze rigoarea cu care diversitatea culturală și lingvistică modelează succesul în afacerile globale, utilizând ca fundament metodologic analiza calitativă a datelor secundare și investigarea unor studii de caz de referință. Prin analizarea strategiilor adoptate de entități multinaționale precum McDonald's sau Netflix, se demonstrează faptul că ajustarea fină a limbajului și adaptarea portofoliului de produse la specificul fiecărei regiuni contribuie decisiv la consolidarea încrederii consumatorilor și la eficientizarea proceselor de comunicare. În concluzie, se relevă faptul că diversitatea nu constituie o barieră, ci reprezintă o resursă strategică esențială pentru dezvoltarea durabilă. Astfel, organizațiile care integrează sensibilitatea culturală și lingvistică în modelul lor operațional dobândesc o reziliență sporită și o capacitate superioară de a genera performanță la nivel global.*

Cuvinte cheie: *Diversitate culturală, profit, barieră, lingvistică, marketing internațional, comportamentul consumatorului.*
JEL CLASSIFICATION: M16, Z10

INTRODUCTION

Many companies face significant challenges when expanding internationally because they assume their native language and culture will work everywhere. However, every market is unique, with its own specific traditions and decision-making styles.

This project demonstrates that cultural diversity is not an obstacle, but a valuable opportunity to increase commercial success. When businesses adapt to local customs rather than expecting others to conform to them, they build stronger trust and improve customer engagement. This paper examines how language affects consumer behavior and evaluates why some major brands succeed or fail based on their cultural strategies.

LITERATURE REVIEW

Experts in international business agree that ignoring local customs often leads to high costs for a company. As noted by Usunier & Lee (2013), culture shapes the way people think, act, and decide what to buy. A brand cannot truly connect with customers if it does not speak their language or understand their daily lives. Diversity is also important for the people working inside the company. According to McKinsey & Company (2020), teams with different backgrounds are more successful because they bring new ideas and make better choices. In the end, respecting diversity helps a business build trust with customers and become more creative and successful.

RESEARCH METHODS

To complete this project, I used qualitative research and studied secondary data. I examined real-life examples of major global companies to see how they handle language and cultural diversity. I focused on successful brands, such as McDonald's and Netflix, as well as companies that faced challenges because they did not understand the local culture, like Walmart and Pepsi. Additionally, I

used statistics from the well-known report 'Can't Read, Won't Buy' by CSA Research to create a comparison table regarding consumer behavior.

WHY LANGUAGE MATTERS?

To understand why companies need to speak the customer's language, we can examine the well-known "Can't Read, Won't Buy" study. This research analyzed thousands of consumers across various countries to determine how language influence their shopping habits.

Table 1. "Can't Read, Won't Buy" Statistics and Their Implication in These Countries

Consumer Behavior	Percentage of Consumers	Business Impact
Prefer to buy products with info in native language	76%	High chance of losing sales if the website is not translated.
Will never buy from websites not in their language	40%	Companies lose almost half of the market without local language.
Prefer navigation and support in native language	70%	Good customer service needs to be localized to keep clients.
Spend more time on websites in their own language	85%	Native language keeps customers engaged and looking at products.

Source: Adapted from "Can't Read, Won't Buy" global consumer report data.

The table suggests that companies may lose a significant number of customers if their website or product descriptions are not translated, as this can negatively affect consumer trust.

BIG COMPANIES THAT FAILED BECAUSE OF CULTURE

To demonstrate the importance of culture, we can examine cases where companies lost millions of dollars because they ignored this:

WALMART IN GERMANY:

Although Walmart is the most successful retailer in the United States, its expansion into Germany resulted in a total failure and a loss of over **$1 billion**. The primary cause was the company's attempt to impose American business habits on German consumers without adapting to local preferences.

For instance, Walmart required its employees to smile at customers, a practice that is common in the US. However, German shoppers found this behavior insincere and uncomfortable.

Additionally, customers did not appreciate American-style services, such as employees bagging their groceries. Because Walmart failed to respect these cultural differences and refused to adapt its model, the company was ultimately forced to exit the German market.

PEPSI IN CHINA:

When Pepsi first entered the Chinese market, they used the slogan 'Pepsi brings you back to life.' However, due to a significant translation error, the message was interpreted in Chinese as 'Pepsi brings your ancestors back from the dead.' This was a critical mistake, as honoring ancestors is a deeply respected tradition in Chinese culture. While the error did not cause widespread public anger or protests, it resulted in significant confusion among Chinese consumers. The message appeared strange and out of place, proving that customers are unlikely to purchase a product if the marketing message is unclear or culturally insensitive. Although this mistake did not cause Pepsi to fail in China, it resulted in a substantial loss of time and financial resources to correct their brand image

BIG COMPANIES THAT WON BECAUSE OF CULTURE

On the positive side, companies that embrace diversity see huge profits:

- MCDONALD'S IN INDIA:

McDonald's utilizes a strategy known as **'glocalization,'** which involves balancing a global brand identity with local cultural needs. In India, for example, a large portion of the population avoids beef for religious reasons, as cows are considered sacred. Rather than offering their traditional American beef burgers, McDonald's adapted its menu to include items like the **McAloo Tikki** (a potato-based burger) and the **Chicken Maharaja Mac**. According to Usunier & Lee (2013), a brand cannot truly connect with customers if it does not speak their language or understand their daily lives. By respecting local dietary traditions and adapting its products, McDonald's successfully became one of the most popular fast-food chains in the country.

NETFLIX ALL OVER THE WORLD:

Netflix recognized that global audiences often seek content beyond traditional Hollywood productions. To address this, the company invested significantly in producing original shows featuring local languages and actors. A primary example of this strategy is the South Korean series *Squid Game*. Netflix's investment in local content aligns with findings from CSA Research (2020), which state that 76% of consumers prefer to buy products when the information is presented in their native language. Netflix ensured the show was professionally dubbed and subtitled in over 30 languages to make it accessible to a global audience. As a result, *Squid Game* became their most-watched series to date, attracting millions of new subscribers and generating substantial global profits.

CONCLUSIONS

In conclusion, diversity is far more than just a modern trend, it is a strategic approach that helps businesses increase their global success. The research and examples of companies like McDonald's and Netflix demonstrate that the most successful organizations in the global market are those that do not expect the world to adapt to them. Instead, they understand that the most effective way to build trust with customers is by respecting their language and culture. To achieve long-term growth worldwide, businesses must move away from the idea that all consumers are the same. Real success comes when a company stops using a 'one-size-fits-all' approach and starts speaking the actual language of its customers. This creates a deeper connection and shows genuine respect for the local community. As noted by McKinsey & Company (2020), teams with diverse backgrounds are consistently more successful because they bring new ideas and make better choices.

As Nelson Mandela famously said:

If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart.

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