

Kao dubai research paper sample

[Business](#), [Company](#)



Introduction

The Kao group of companies is a multinational business that operates in many countries in Europe, America, the Middle East, Asia and Africa. These companies target ordinary consumers since they produce consumer goods mainly. Consumer products offered by the Kao group of companies include among others, the beauty care line of business where this company offers a wide variety of soaps, cosmetics, hair care products and exclusive skin care products. The Kao group of companies has led to the provision of a variety of soaps, beauty products and cosmetics in many countries that they operate in one of them being the Kao Brands Company located in Dubai. The beauty business has been doing well since the Kao group of companies has established many companies across the world with a wide variety of beauty products. What most women around the world need today, the Kao group provides .

The Kao group of companies is headquartered in Nihonbashi-Kayabacho, Chuo, Tokyo, Japan. The group has many constituent companies that provide and produce a variety of products and is situated in other countries in Africa and Europe. Apart from the cosmetics business, the Kao group has chemical companies that have been on the forefront in the production of chemical products that have, at different levels, met the contemporary needs of the industry.

Kao's business fields are consumer oriented, and the company is determined and committed to Yoki-Monozukuri with an aim of completely satisfying the consumers worldwide. This has made this company not only popular, but also respected for their integrity and commitment to honestly give service to

their customers. The Kao group of companies in Dubai in the United Arab Emirates (UAE) has ventured in the beauty business with an aim of transforming and impacting women's lives. They have a hard working staff here that ensures all the values the company believes in are adhered to the latter, especially quality service and responsibility.

The Kao Brands Mission, Vision and Philosophy

Since the Kao Brands Company (UAE) is part of the Kao group of companies, it then follows that they use one and the same mission, vision and philosophy. The Kao group of companies also has values and principles that, in addition to their mission, vision and philosophy, helps them to produce internationally acceptable goods of the highest quality.

Mission Statement

The Kao Brand mission is “ to strive for the wholehearted satisfaction and enrichment of the lives of people globally” (www. kaobrand. com). This they hope to achieve through the company's realm of cleanliness, beauty and health products. The company also says that all its members are committed to working alongside this mission.

Vision

Kao group of companies aims to be “ a global group of companies that is closest to the consumer/customer in the market.” By doing this, they hope to gain the trust and earn respect from all their stakeholders (www. kaobrand. com).

Values

The company has values that enable their company to produce goods of high quality and maintain their influence both locally and internationally. These values are integrity and innovation. Kao Brands Company wants to expand its business through innovation and continuous upgrading of their products. This value of being innovative will help them view their challenges as opportunities to venture into new areas and expand.

Integrity to Kao Brands is a very important aspect of their business. Their key concepts that are encompassed in this value include justice and fairness, respect, sincerity, diligence, being a lawful company and an ethically responsible Corporation that values the ideals of the host country .

Principles

The Kao Brands Company has four principles that guide their work. The first is being consumer driven. They make their customers their number one priority, hence bringing them closer through regular communication. The second principle is known as Genba-ism. Geneva is a word used to mean “ actual spot”. This translates to keen observation of both internal and external environments of this line of work so as to increase their understanding of consumers’ needs hence maximize their performance. The third principle is respect and teamwork through cooperation with their partners, first-rate communication, having respect for diversity and to maximize individual performance & abilities. The last but not least principle is having a global perspective. It encompasses comprehending the wants of the local populace (e. g. Pollution, unemployment, poor quality products) and seeing to it that they are solved through the creation of suitable local

business operations. Also being open to receiving new ideas will improve innovation, therefore, helping to fulfill the global perspective (www. kao.com).

Philosophy

The Kao Brands Company adopted the Kao Way (Yoki-Monozukuri) that expresses their corporate philosophy. Yoki means good, and Monozokuri means manufacture of products. This, therefore, translates to commitment to production of quality products. Yoki-Monozukuri expresses the unique culture Kao has adopted; the spirit of enterprise and innovation. Quality, to this company, is so important that they had to include it in their philosophy. Coupled with their unique ability to integrate quality, service, community service and still make profits has earned them competitive advantage over their competitors.

Aspects of Multinational Corporation operating in a foreign country

Multinational corporations are business institutions that do business in many countries besides the host country. They practice international business since they have a vast array of products and a wide market thus the need to explore outside the borders of the host country. An example of such multinational corporations is the Kao group of companies which has its base in Japan, the Middle East, Europe, America and various countries in the African continent. In the process of conducting business across the globe, these organizations are subjected to different jurisdictions and legal systems. These are reality companies like the Kao group of companies have to face and deal with in their foreign business escapades. The various aspects that

arise in the course of business in foreign countries include among others:
political, economical, social and cultural

Considering the Middle East, and Dubai in particular, these aspects have had significant effects on the general living of the people of Dubai, most of them positive effects. The Kao group of companies being headquartered in Japan means its operation in Dubai is operated in foreign countries. These factors, therefore, affect Kao and the people of Dubai as explained below.

Political factors

Operating in a foreign country for any multinational business presents a political reality to these companies. The Kao group of companies (Kao Brands) in Dubai is directly affected by the political environment in the country. Political stability is, therefore, is vital for the success of this company. The Arab Emirates has had a stable political state boosting the operations of multinational businesses like the Kao Brand. The political environment is directly proportional to the business environment. This means that a stable political environment like what is witnessed in Dubai is the reason behind the success of multinational businesses in Dubai; Kao Brands inclusive .

An unstable political environment does not allow smooth operation of business considering there might be demonstrations, war and insecurity which are all setbacks to the general business operations

Economical factors

The economic stability of the host country is important to the success of multinationals. Good economic conditions (a stable economy) are vital for

the operation of a business like the Kao Brand in Dubai. The value and the stability of the currency of the country determine the level of profits a company will make. Kao Brands in Dubai have been doing exemplary well because of the stable economy in the Arab Emirates with low rates of inflation. This minimizes the chances of making huge losses because of currency value depreciations

The Arab Emirates' economy has remained stable over a long period of time attracting many investors and multinational corporations in the country. The Kao group of companies established a base in Dubai and business has been lucrative ever since. This explains why the Kao group of companies has excelled in the cosmetics sector targeting the women of Dubai and, therefore, positively impacting their lives.

Cultural factors

For a multinational corporation to cross borders in order to do business in the international spectrum, there are inevitable cultural differences that the operation of the company must face. The Kao Brand in Dubai deals in, cosmetics and skin care products. This makes their target customers to mainly women. In Middle Eastern countries, the culture on gender is slightly different from the western countries. The company has to, therefore, adjust to this culture and blend in order to carry out successive business with these people who are supposed to be the main customers.

The Kao group of companies is well aware of this fact, and that is the reason why Kao Brand-Dubai has been so effective in impacting the lives of Dubai women positively. The Kao Brand Dubai is sensitive to the religious and cultural beliefs of women and the people of Dubai in general. The difference

of culture and religion of the Kao companies home country and their host countries has not been a hindrance to business rather it has led to a better understanding and, therefore, business.

Environmental factors

Kao group of companies, being a large organization operating in many countries, in the world, cannot avoid coming into contact with issues of the environment. The company has ensured environmentally friendly activities and products are a priority. The Kao Brand Dubai has not come into conflict in environmental activists so far in Dubai. The company produces environmentally friendly products and is involved in environmental conservation. The Kao Brand Dubai has been careful to avoid activities that will lead to global warming. The Kao group of companies uses renewable energy in their production process and, therefore, minimizing chances of environmental pollution .

Risks in the multinational business

There are various risks faced by multinationals in their international business agenda. The fact that there are different economical, social, cultural factors among others poses a probability of a challenge for these companies. The risks can be generally summarized as political, legal, economical and financial.

Political risks

In the recent past, most parts of the Middle East have experienced political unrests and regime changes. When this happens, investor confidence diminishes since the business environment is not conducive. Multinational

corporations face the risk of making losses or even closing business in the event of political turbulence and economic instability.

Legal risks

The law varies from country to country. Most countries in the Middle East have different legislative structures and different legal interpretations. The law, therefore, in these countries is a sensitive issue since any business operations are directly supervised by the laws of the host country and, therefore, all the activities of such a corporation are subject to the existing law of the land .

Economic risks

The economic stability is vital for any business' success. The prevailing economic conditions determine how much profits a business does now and in the future. The multinational businesses like the Kao group of companies face a risk of huge losses if there is a high level of inflation and fluctuating currency value. In Dubai, the petroleum revenue constitutes about 90% of the country's revenue. Decisions on the exploitation of this resource are made by the political power .

Financial risks

Through the Dubai International Financial Center (DIFC) which is supervised by the Dubai Financial Services has ensured the improvement of credit by implementing strict regulatory measures. Financial volatility is a risk which might arise due to weak banking system and inadequate reporting standards. The Kao Brand Dubai has been subjected, to a smaller extent, to these risks, but the Arab Emirates have moved with speed to rectify it.

Opportunities in the multinational business

Political opportunities

Multinational businesses have the ability to bring political integration in the host country and its neighbors. This can be done by enabling business between countries and, therefore, more friendly associations between the countries.

Economic opportunities

The multinational businesses are heavy investors in target countries and therefore, positively impact the economy. They also offer employment to the citizens of the host country.

Environmental opportunities

The Kao group of companies specifically has ventured in environmental education by teaching the local people on the real solutions of the environmental problems. By so doing, Kao intends to create a society that is sustainable and rich.

Threats in the multinational business

There are several threats in the multinational business including political, legal and environmental. Political and legal threats include political instability and unfavorable legislation respectively. The environmental threats include the inevitable emissions during production which pollutes the environment .

Obstacles of entry and operation

The differences in culture are the main obstacle of entry of a multinational business in a foreign country. Some cultures do not allow any products, for

example cosmetics for religious reasons among others. The people in these countries have stereotyped products from other countries and, therefore, it becomes hard for business to go on. The leadership style in most Middle Eastern countries is not democratic, and, therefore, whether the businesses should be allowed to operate or not, depends on the ruler's unilateral decision .

The language barriers were in most Middle Eastern countries; people speak mainly Arabic and not the more universal English. This makes business difficult to operate.

The entry strategy

The multinational businesses like Kao being aware of these differences in culture and the barriers they face in establishing business, designed strategies to enter the market anyway. The Kao companies carefully studied the culture, language and religion of these people, then entered the market. They are sensitive to the people's religious issues. To curb the language barrier issues, the Kao Company has employed the citizens of these countries.

Recommendations on the entry strategy

The multinational businesses should train their staff in such a way that every employee knows an extra language, especially the language of the countries they intend to do business in. Culture education and the need to respect people's culture as a success requirement in business should be emphasized.

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