

Culture differences:
why did American
Kraft Company
experience cultural
issues due to...

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Why Kraft experienced Cultural Issues during Cadbury Takeover
Kraft's takeover of Cadbury resulted in a clash between individualism and communitarianism, which are part of Trompenaars' seven dimensions of culture (UK Parliament, 2011: 26a). Kraft marketing employs a globalization strategy that stresses economies of scale, (very) low production costs, and high profit margins. The company does not use, and does not need to use a localization strategy to sell its products. This created a change because Cadbury marketing used a "think global, act local approach," or glocalization, which did not suit Kraft marketing's globalist and expansionist agenda (DePamphilis, 2012: 83). In this context, while Kraft saw Cadbury as a highly profitable business that could significantly expand its market share, senior Cadbury management, and even the UK public saw Cadbury as a symbol of rich British traditions (Rudani, 2013: 67). Having been founded in the early 19th century, Britons thought that Cadbury's history was too rich to be valued monetarily. They saw Kraft as a soulless company that was driven by takeovers and profits only (Rosenbaum-Elliott, Percy & Pervan, 2011: 49). Kraft's management (Americans) on the other hand, only thought about increased market share and profitability to them, Cadbury was nothing more than another statistic to add to the many companies it has acquired to expand.

Kraft marketing also employs management strategies which are largely American, and which do not resonate with Britons' preferred style of management (Cadbury, 2011: 54). This created and still creates enormous challenges when using former Cadbury employees to implement the new firm's policies. American management culture is too bureaucratic and

systematic while British management culture leans more towards personal responsibility and fast decision-making (Palmieri, 2014: 34). Finally the main reason why Kraft experienced issues in management in the United Kingdom is because Americans are too direct, elaborate, and contextual. British, on the other hand, are quite indirect, personal, affective and yet effective, and instrumental in their communications (UK Parliament, 2010: 56b). This created a clash of communicative methods that posed a great challenge during the takeover.

References

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