

ROLE OF HOST COUNTRY CONTEXT IN BUSINESS INTERNATIONALIZATION- CASE OF JAPAN: CULTURE AS MARKET ENTRY BARRIER

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Abstract:

Role of culture in business decision on foreign market entry is often reduced in research to the concept of cultural distance. Although popular and useful, cultural distance due to its limitations may not always be the best tool in international business studies (Harzing, Pudelko 2016; Shenkar 2001). As culture creates complex context for business phenomena it is desired to research their occurrence in that national context (Tsui 2007). Different host country context may affect otherwise well-known phenomenon in subtle manner resulting in unexpected outcomes.

The specificity of Japanese market has forced potential incumbents to adjust their products, services and processes as well as expectations to changeable, numerous entry barriers. Among those barriers culture has been indicated as having impact on a shape of the foreign company's life on market.

Basing on literature review the research proposes typology of Japanese market entry barriers, examines the role of culture as a particular barrier, and its influence on other market entry barrier types. Conclusions are that Japanese culture apart from being barrier itself affects creation of barriers to foreign business entry on Japanese market in more complex manner than can be explained by concept of cultural distance.

Keywords: Culture; Entry Barriers; Japanese Market, Market Entry, Host Country, International Business.

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