
UNIT 4 CULTURAL ENVIRONMENT

Objectives

After going through this unit you should be able to:

- define culture
- explain the elements underlying culture
- undertake a cultural analysis
- identify the ways in which cultural differences impact on the operations of firms.

Structure

- 4.1 Introduction
- 4.2 Definition of Culture
- 4.3 Elements of Culture
- 4.4 Cultural Analysis
- 4.5 Summary
- 4.6 Self Assessment Questions
- 4.7 Further Readings
- 4.8 Appendix - Business Connections : Guide to Business Culture Around the World

4.1 INTRODUCTION

Cultural dimension is one of the important dimensions of international marketing environment, other dimensions being political, economic, legal, technological, geographic etc. It influences all aspects of consumer behaviour and is pervasive in all marketing activities like product design, packaging, pricing, promotion, distribution, communication etc. Since the scope of marketing concept is to satisfy consumer needs, it is quite clear that the marketer must be fully familiar with the cultural dimensions of consumer behaviour in target markets and must understand their implications for specific marketing functions.

4.2 DEFINITION OF CULTURE

There is no single definition, which describes the term culture exactly/precisely. Culture varies from country to country. If you talk about a nation's culture there are often prejudices involved. Which definition or explanation ever is chosen they have all one thing in common. And that is - they are all based on personal experiences.

Culture can be defined as a "sum total of man's knowledge, beliefs, art, morals, laws, customs and any other capabilities and habits acquired by man as member of society." It is the distinctive way of life of a group of people, their complete design for living. Culture thus refers to man's entire social heritage - a distinctive life-style of a society and its total value system, which is intricately related to the consumption pattern of the people.

Cultural Dynamics

Man uses the media of culture in adapting to the physical, biological, psychological, social, anthropological, and historical components of human existence. Each culture evolves its own modes and norms to solve problems created by Man's existence in society. Accidental solutions were found for some problems: inventions and innovations have provided solutions to other problems. But more commonly; a society found answers to most of its



problems through direct or indirect interaction with and borrowing from other cultures. Inter-cultural borrowing is a significant phenomenon of cultural dynamics. What a culture adopts from another culture becomes adapted to its needs in course of time and once the adaptation becomes assimilated, it is passed on as cultural heritage of that society. In other words, culture is a living and dynamic phenomenon which keeps on constantly interacting with other cultures and passes through the continuing process of adopting, adapting and assimilating.

A significant characteristic of human society is that the culture is passed on to succeeding generations, which constantly build upon and expand the inherited culture, from which man learns a wide range of behaviour that is of relevance to marketing.

Cultural Similarities

Sometimes apparent similarities in certain features of culture create illusion of 'sameness' in different national cultures. For example, several nationalities may speak the same language or may have similarities in religious or racial features, but it does not necessarily follow that similarities exist in other respects as well, nor does it follow that a product or a promotional message adaptable to one culture would be readily acceptable to another. Even when two or more nationalities use the common language, there would be differences in interpretation of a word or phrase giving different connotations.

Sub-cultural patterns

Furthermore, within each culture there are many subcultures that can have marketing significance. For instance, in a country like the United States distinct subcultures prevail in the South, North-Eastern or Midwestern parts. Similarly, the general similarities of Indian culture are in evidence throughout the country but regional differences do exist in the cultural features that are of marketing importance. Subcultures are found in all national cultures and failure to recognize them may create the impression of sameness, which in reality may not exist. A single national and political boundary does not necessarily mean a single cultural entity. Canada, for example, is culturally divided between its French and English heritages, although politically the country is one. Because of such distinctive cultural division, a successful marketing strategy among the French Canadians may not effectively work among the English Canadians or *vice versa*.

It is therefore important to explore the possibility of existence of more than one distinct culture in a country as well as characteristics of subcultures, before marketing plans are formulated.

Activity-1

How does the study of culture influence the marketing programme? Discuss with the help of examples.

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4.3 ELEMENTS OF CULTURE

Culture includes all facets of life. In order to obtain a total picture of a culture it is necessary to investigate every possible side of it. For facilitating an accurate study of culture, the anthropologists have evolved a "cultural scheme" which embodies the various elements of culture. The main elements included within the meaning of the term 'culture' are:



1. Material. Culture
 - Technology
 - Economics
2. Social Institutions
 - Social organization
 - Education
 - Political structures
3. Man and the Universe
 - Belief systems
4. Aesthetics
 - Arts, Folklore
 - Music, drama and the dance
5. Language

These five broad dimensions of culture embrace all the major aspects of man's social heritage. They serve as a framework for the analysis of cultural ramifications. The foreign marketer may find such 'cultural scheme' as a useful instrument in assessing the potential and intricacies of a foreign market. Each of these elements of culture has some influence on the marketing process and they differ from culture to culture. It is therefore necessary to study the implications of these differences in analyzing specific foreign markets.

A brief analysis of the elements of the 'cultural scheme' of a society will illustrate the variety of ways in which culture and marketing are interlinked.

Material Culture

Material culture can be classified into two parts: technology and economics. Technology includes the ways and means applied in making material goods - it is the technical know-how in the possession of people in a society. Economic refers to the manner in which the people of a society employ their resources and capabilities to generate social welfare and benefits. Economics includes activities like production and distribution of goods and services, consumption function, means of exchange and generation of income derived from the creation of utilities and similar activities.

Material culture thus influences the level of demand, types and quality of goods in demand and their consumption pattern in a society. The marketing implications of material culture of a society are obviously many. The goods and services that are acceptable in one market may not be acceptable in another market because of differences in the material cultures of two societies. For example, sophisticated electronic appliances widely in demand in the technologically and economically advanced Western countries, may not find a market in less developed countries of Asia, Africa or Latin America. .

Social Institutions

Social institutions existing in a society affect marketing system in a variety of ways. Social organizations, educational systems, political structures mould the pattern of living and interpersonal relationships of people in a society. These institutions collectively influence the behavioural norms, codes of social conduct; value system etc. and thereby affect the entire consumption pattern of a society, which is of direct relevance to marketing.



Educational systems affect not only the level of literacy but also the development of various mental faculties and skills. In countries where the literacy rates are low, for instance, the conventional forms of printed communication will not work.

Similarly certain types of political institutions govern the growth of marketing organizations as well as several other marketing functions and business systems.

Social institutions thus exert notable influence on all aspects of marketing including product formulations and design, pricing structure, distribution network, promotional methods and the like.

Man and the Universe

Man and the universe is a relationship that generally results in the form of religious beliefs and related power structure. Religions are a major determinant of the moral and ethical values and influence people's attitude, habits and outlook on life, which are reflected in their consumption pattern. Dr. Ernest Dichter found:

"In Puritanical cultures it is customary to think of cleanliness as being next to godliness. But in catholic and Latin countries, to fool too much with one's body, to overindulge in bathing or toiletries, has the opposite meaning. It is that type of behaviour which is considered immoral and improper."

The religious faith and belief thus affect people's consumption habits and their attitudes to goods and services as well as promotional messages, which should be in consonance with the religious faith to be acceptable.

Aesthetics

The man expresses his inner urge for creativity through aesthetics, i.e. the arts, folklore, music, drama, dance and the like. The aesthetics of a particular society are embedded in its culture and are expressed through various symbols and forms. The aesthetics are of special interest to the marketer because of their role in interpreting symbolic meanings of the various methods of creative expressions, color and norms of beauty in a particular culture. In the absence of culturally correct interpretation of a society's aesthetic values, product styling or promotional message, for instance, would seldom be successful.

It is therefore essential for the international marketer to be sensitive to the aesthetics of a society and their symbolic expressions through signs, colors, shapes and forms in order to make the product and the message as well as marketing communication effective.

Language

Language is an important element of culture. Language is a set of symbols used to assign and communicate meaning. It is through language that most of the marketing communications take place. It enables us to name or label the things in our world so we can think and communicate about them. An international marketer should have a thorough understanding of the language of the market particularly the semantic differences and idiomatic nuances which are essential characteristics of all languages of the world. For example, the dictionary translations could be quite different from the idiomatic interpretation of the language. When literal translations are made of brand names or advertising messages from one language to another by people who know the language but not the culture, serious mistakes may occur. In Canada, for example, a family brand name - 'Big John' - was translated into French as 'Gros Jos' which is a colloquial French expression for a woman with 'big breasts'. When General Motors of the United States literally translated its marketing phrase 'Body by Fisher' into Flemish language, it meant 'Corpse by Fisher'. The phrase "come alive with Pepsi" faced problems when it was translated into German advertisements as 'come alive out of the grave' or in Chinese as 'Pepsi brings your ancestors from the grave'. When the American car called 'Nova' was introduced in Puerto Rico, sales were poor until the company realized that the word Nova was pronounced as 'Nova' - which literally



means in Spanish 'doesn't go'. Sales were better when the name was changed to 'Caribe'. Similar mistakes of one kind or another regarding use of translated language in international marketing communication are fairly common mainly because of non-familiarity with the semantics and idioms in their cultural context.

4.4 CULTURAL ANALYSIS

A Manager's Perspective

The successful implementation of marketing plan in country X does not necessarily guarantee its success in country Y, for besides the economic criteria there are also non-economic factors which influence the demand function. Culture represents one of the most important non-economic factors influencing the demand function. For a manager to understand culture and its orientation, a cultural analysis becomes imperative. Cultural analysis is thus the study and classification of non-economic parameters. Its influence may be through the concept, the method or format in which goods are marketed for a stated purpose in the desired market.

Being able to operate in a multi cultural environment it is important to know and be aware of the cultural differences and peculiarities. It is obviously not enough to categorize Italians as people spending most of their time in the sun while eating pizza and drinking wine. There is more that has to be learned to become successful in a foreign market. A major challenge for managers is to overwhelm their myopic view. It takes time to develop an open attitude and a cultural sensitivity, which enables managers to look carefully to the foreign market and point out the customers needs there and not transferring the domestic market needs. James Lee calls that Self Reference Criteria (SRC).

A bad example for what management can do wrong if not looking specifically to the foreign market is Euro Disney in Paris/France. The Disney management definitely ignored many basic questions they should have asked themselves before launching this project. One of their mistakes was also related to a cultural aspect, e.g. Euro Disney prohibited drinking alcohol inside of the park. Especially the French visitors were embarrassed about that where drinking wine with the meal belongs to the typical French culture.

To avoid those mistakes about cultural differences or at least to minimize them the four steps approach of Lee (1966) can be used:

- a) Determining the problem or goal in terms of home country culture, habits and norms.
- b) Determining the same problem or goal in terms of host country culture, habits and norms.
- c) Isolating the SRC influence on the problem and how it complicates the issue.
- d) Redefining the problem without the SRC influence and solving it according to the specific foreign market situation.

The cultural indicators may then be subdivided under four heads

- Defacto indicators
- Traditional indicators
- Legal indicators
- Marketing mix indicators

Defacto Indicators

This set includes factors like climate, terrain, and the basic infrastructural facilities available. The impact of these indicators on product construction and marketing bear



major significance. Thus while marketing motor vehicles globally the firm would have to keep the climatic conditions, terrain conditions and infrastructural conditions in mind. It would have to adapt the car body for both warm and cold climates. In fact not providing anti-skid tyres may very well make their product unattractive in cold countries. The availability of fuel, its types and quality will have impact on the engine design.

Traditional Indicators

This set includes the systems, the attitudes and the value systems that exist within a market. When a marketer seeks knowledge about these indicators, he begins by taking into account the historic demand for goods, the attitude of the consumers and the mechanics of the market for example the credit facilities that have existed in the particular industry. It involves an analysis of the tradition and background of the market system as they exist and its interlinkages with other market systems and manufacturing countries. Thus hoping to market a high value item in a country where the money market is not developed, and where credit facilities are erratic may not be possible.

Legal Indicators

The law reflects the problems that have been faced by a particular society over a period of time but what influences a marketer most, are the laws relating to construction of a product and safety and environmental laws.

In the European countries, the safety laws are very strict. A pharmaceutical product banned in these countries is often marketed in third world countries. This is because the third world cannot 'afford' to make such laws. Another fact, which must be kept in mind while marketing the product is that laws have to be met in totality.

Marketing Mix Indicators

How a customer is presented with the product is a function of how the marketing mix has been designed. Indicators with reference to marketing mix refer to indicators on price, product, promotion techniques, and distribution techniques. The implications for marketing are very clear when a person enters a new environment. Laws in United States regarding advertising require that advertiser be able to back up his claim. The use of aspirational advertising and the influence of this law can create a problem.

While this gives us an idea about the culture, the study of orientation of the culture also has an equal importance. The orientation of a culture can be understood through Edward Hall's technique of high context and low context culture. While the technique itself may not be read it becomes necessary to understand the orientation of a culture with reference to the following variables.

1) TIME

The perception of the time varies from culture to culture. Time is one of the fundamental bases on which all cultures rest and around all activities revolve. There are differences how cultures handle time. In earlier times, time was measured in terms of seasons, darkness and daylight. Nowadays time is more important and complex than in the past.

For companies time is considered as an endless challenge they have to compete with and find solutions to the time managing problem. There is also a cultural difference in how they deal with time. In some cultures it is not necessary to be precisely on time at appointments. Sometimes delays in appointments are expected, tolerated or at least taken into account. But in Germany, Finland, USA and China time has a high value and has to be precisely organized to keep business running. Any delay or disturbance in time- (managing) will influence the whole schedule of a manager. It might be helpful for the waiting person to get informed about any delay. In France it is similar but punctuality depends on the importance of the person. If the delay is not more than 15 minutes, it is acceptable to wait.



Time pressure can cause stress and if it becomes "negative stress" - that's stress, which is overwhelming and can't be managed - people get sick and unproductive.

2) SPACE

The conversation distance in space between two persons has a cultural dimension, Every human being has his/her own demand for space to protect his/her cover from external influences of the environment. To create, find and define this boundary between oneself and the outside is essential. In some countries, particularly in the west, men avoid excessive touching while in the Asian and Latin American countries people tend to get too close to one another physically when engaged in conversation.

Therefore it is important to know or at least to estimate someone's boundary/skin correctly. There are different points when characterizing space. One point is that people trace out their own territories, which they will protect and defend if necessary. This point, which is influenced by someone's cultural origin, is well developed in Germany and USA. Americans have distinctive places that they call "mine" and don't want them to be "disturbed". Germans may have an even stronger feeling about their territories. Personal things especially like their cars should rather be avoided to be "touched" without permission or treated differently from that like the owner would treat it. The same counts for houses, grounds and offices. They shouldn't be accessed without a detailed/explicit allowance.

The size and location of offices are also both considered as very important because they express some kind of status and power. Like a corner office or one without walls. But the power symbol has a higher value in Germany than in USA. Whereas in France the top management of a company is commonly placed in the middle of the building - corresponding to their way of doing something - "everything" has to be centralized. The central position is a key position in France because all information and decisions can be controlled from the central point. Like already mentioned there are different categories of space. The other one is personal space, which is another from of territory. First of all personal space is depending on the relationship people have, their emotions and cultural background. Every culture and more precisely every individual has its own demand of personal space. Not paying attention to that can cause an immediate loss of your business relation because of attacking and not respecting someone's demand of space.

3) FRIENDSHIP

The meaning of friendship and the obligations involved in it varies from culture to culture. In USA, the concept of friendship is fragile; it is hard to say at which point friendship gives way to business opportunism.

In Eastern countries friendship is not formed fast but once formed, it goes much deeper, last longer and involves real obligations. Chinese business people trust very much on relationships between the partners. Strict regulations/formulations would probably offend/insult the partner because they would get the idea that they aren't trustful and are cheaters. In negotiations Chinese will spend a lot of time in building up a relationship with their business partners so the actual negotiation will be at the end of the meeting time. Friends and relatives in several cultures represent a sort of social insurance, helping each other in difficult times and getting things done without expectation of reciprocity. Attitude towards friendships and inter-personal relations is a product of culture and plays a very subtle role in building up international business relations.

4) STATUS

Status is used in different ways in different cultures with different meanings. The fundamental/base can be what someone DOES, or what someone IS. There are big differences how societies respect or focus on someone's status. In the USA, Germany and Finland people are measured by how successful they are in their jobs and what an individual has done.



A related issue is of material possessions. Material possessions are used in different ways in different cultures with different meanings. Americans are considered as highly materialistic, projecting their socio-economic status through material possession. The Japanese take pride in often inexpensive but artistic and tasteful arrangements that are used to produce the proper emotional setting. The French, Germans and English attach great value to traditional and historical things. In Middle East, people would not like to be judged solely by their material possessions but by family connections and friendships. Material possessions thus mean different things in different cultures and, do influence the business attitudes and relationships.

BUSINESS AGREEMENTS

While it is important for international businessmen to understand the symbolic meanings and cultural implications of friendship, language, time, space, status and material possessions, it is equally important to know the guiding principles of and attitudes towards negotiating business agreements in different countries. The basic rules for negotiating agreements vary from country to country and can be classified into three broad types, mainly

- Rules that are spelled out technically as law or regulation
- Moral practices mutually agreed on and taught to the young as a set of principles.
- Informal customs to which every one conforms without being able to state the exact rules.

Application of such rules varies from one society to another depending on the cultural circumstances. Generalizations are difficult, however, while the Americans consider the negotiating process to have ended when the agreement is signed, for the Greeks the agreement is nothing more than a charter for serious negotiations which ends only when the job is satisfactorily completed. In the Arab world, once a verbal word is given, it becomes binding as any written agreement. Few Americans on the other hand, will conduct any business without some agreement or contract.

Informal patterns and unstated agreements often lead to innumerable difficulties and confusion in cross-cultural negotiating process. All agreements have certain obligations and codes attached to them - whether in writing or by implications. The norms and codes are primarily of cultural origin and therefore become a way of social and cultural life. The people of each country may think that their own code is the only acceptable one, and that everything else is irrelevant. It is not so. Each code is different and people's business behaviour, and agreements are greatly influenced by these codes and practices.

It is therefore important for the international marketer to understand and appreciate the differences in the cultural dimensions of international business, so that he can adopt and adapt his business strategies to the cultural requirements of a country.

Once the manager has undertaken the cultural analysis he must decide on a marketing strategy encompassing the cultural element. He has three options open to him depending upon his market screening process. If he decides to undertake marketing in a market where the cultural variable influences are same in all the markets then he is undertaking a culturally congruent strategy. But what if he finds that the culture that is not conducive for the marketing of his product, in which case, he can start marketing and hope that the culture will change or he may himself decide to influence the culture to the extent that allows him to market the product.

In the former case he is undertaking the strategy of unplanned change, in the latter case he is undertaking the strategy of planned change. The importance that culture bears on the demand function of the product will in effect be responsible for the choice of strategy adopted by the management.

Dr. Geert Hofstede conducted perhaps the most comprehensive study of how values in the workplace are influenced by culture. From 1967 to 1973, while working at IBM as a psychologist, he collected and analyzed data from over 100,000 individuals from forty countries. The following checklist is based on his research.



Exhibit 4.1 Checklist for conducting business in select countries

	China	Germany	UAE	America
Appearance	<p>Conservative suits for men with subtle colors are the norm. Women should avoid high heels and short-sleeved blouses. The Chinese frown on women who display too much. Casual dress should be conservative as well.</p>	<p>Business dress in Germany is very conservative. Businessmen wear dark suits; solid, conservative ties, and white shirts. Women also dress conservatively, in dark suits and white blouses. Chewing gum while talking to someone is considered rude.</p>	<p>Visitors are expected to abide by local standards of modesty however, do not adopt native clothing. Traditional clothes on foreigners may be offensive. Despite the heat, most of the body must always remain covered. A jacket and tie are usually required for men at business meetings. Men should wear long pants and a shirt, preferably long-sleeved, buttoned up to the collar. Women should always wear modest clothing in public. High necklines sleeves at least to the elbows are expected. It is a good idea to keep a scarf handy, especially if entering a Mosque.</p>	<p>Business suit and tie are appropriate in all major cities. Wear dark colored business suits in classic colors of gray and navy. For an important formal meetings, choose a white dress shirt, for less formal a light blue conservative appearance. Women should wear a suit or dress with jacket in major cities. Wearing classic clothing and classic colors of navy, gray, ivory, and white will ensure you give a confident and conservative appearance.</p>
Behaviour	<p>Do not use large hand movements. The Chinese do not speak with their hands. Your movements may be distracting to your host. Personal contact must be avoided at all cost. It is highly inappropriate for a man to touch a woman in public Do not point when speaking. To point do not use your index finger, use an open palm. It is considered improper to put your hand in your mouth. Always arrive on time or early if you are the guest. Do not discuss business at meals. Do not start to eat or drink prior to the host. As a cultural courtesy, you should taste all the dishes you are offered. Sample meals only,</p>	<p>Germans are strongly individualistic. The German thought process is extremely thorough, with each aspect of a project being examined in great detail. This process is often very time-intensive. Germans do not like surprises. Sudden changes in business transactions, even if they may improve the outcome, are unwelcome. German citizens do not need or expect to be complimented. In Germany, it is assumed that everything is satisfactory unless the person hears otherwise. Punctuality is necessity in Germany. Arrive on time for every appointment, whether for business or social. Being late, even if it is only by a few minutes, is very insulting to a German executive. In</p>	<p>Avoid admiring an item to an excess, your host may feel obligated to give it to you. When offered a gift, it is impolite to refuse. Often shoes are removed before entering a building. Follow the lead of your host. Alcohol and pork are illegal. There are several styles of greetings in use, it is best to wait for your counterpart to initiate the greeting. Men shake hands with other men. Some men will shake hands with women, however it is advisable for a businesswoman to wait for a man to</p>	<p>Business conversation <i>may</i> take place during meals. However, many times you will find more social conversation taking place during the actual meal. Business meetings may be arranged as breakfast meetings, luncheon meetings, or dinner meetings depending on time schedules and necessity. Generally a dinner, even though for business purposes, is treated as a social meal and a time to build</p>



	China	Germany	UAE	America
Communication	<p>there, may be several courses. Never place your chopsticks straight up in your bowl. By placing your host of joss sticks which connotes death. Do not drop the chopsticks it is considered bad luck. Do not eat all of your meal. If you eat all of your meal, the Chinese will assume you did not receive enough food and are still hungry. Women do not usually drink at meals. Tipping is considered insulting, however the practice is becoming more common.</p>	<p>business situations, shake hands at both the beginning and the end of a meeting. Additionally, a handshake may be accompanied with a slight bow. Reciprocating the nod is a good way to make a good impression, as failure to respond with this nod/bow (especially a superior) may get you off to a bad start. When being introduced to a woman, wait to see if she extends her hand. Business is viewed as being very serious, and Germans do not appreciate humor in a business context. In business meetings, age takes precedence over youth. If you are in a group setting, the eldest person enters first. Germans keep a larger personal space around them, approximately 6 inches more space than North Americans do.</p>	<p>offer his hand. A more traditional greeting between men involves grasping each other's right hand, placing the left hand on the other's right shoulder and exchanging kisses on each cheek. The left hand is considered unclean and reserved for hygiene. Gesture and cat with the right hand. Do not point at another person. In the Muslim world, Friday is the day of rest. Do not cross your legs when sitting, showing the bottom of your shoe is offensive. The "thumbs up" gesture is offensive. Gifts are not necessary, but appreciated.</p>	<p>rapport. Gift giving is discouraged or limited by many US companies. A gracious written note is always appropriate and acceptable.</p>
	<p>Bowing or nodding is the common greeting; however, you may be offered a handshake. Wait for the Chinese to offer their hand first. Applause is common when greeting a crowd; the same is expected in return. Introductions are formal. Use formal titles. Often times Chinese will use a nickname to assist Westerners. Being on time is vital in China. Appointments are a must for business. Contacts should be made prior to your trip. Bring several copies of all written documents for your meetings. The decision making process is slow. You should not expect to conclude your business swiftly. Many Chinese will want to consult with the stars or wait for a lucky day before they make a decision. Present and receive cards with both hands. Never write on a business card or put it in your wallet or pocket. Carry a small card case. The most important member of your company or group should lead important meetings. Chinese value rank and status. Allow the Chinese to leave a meeting first.</p>	<p>German is the official language. Approximately ninety-nine percent of the population speaks German. However, there are several different dialects in the various regions. Germans love to talk on the telephone. While important business decisions are not made over the phone, expect many follow up calls or faxes. Germans guard their private life, so do not phone a German executive at home without permission. Titles are very important to Germans. Do your best to address people by their full, correct title, no matter how extraordinarily long that title may seem to foreigners. This is also true when addressing a letter.</p>	<p>Do not discuss the subject of women, not even to inquire about the health of a wife or daughter. The topic of Israel should also be avoided. Sports is an appropriate topic. Names are often confusing. It's best to get the names (in English) of those you will meet, speak to, or correspond with. Learn both their full names and how they are to be addressed in person before you meet. Communication is slow, do not feel obligated to speak during periods of silence. "Yes" usually means "possibly". Meetings are commonly interrupted by phone calls and visits from friends and family. The person at a meeting who asks the most questions is likely to be the least important. The decision maker is likely a silent observer.</p>	<p>Offer a firm handshake, lasting 3-5 seconds, upon greeting and leaving. Maintain good eye contact during your handshake. If you are meeting several people at once, maintain eye contact with the person you are shaking hands with, until you are moving on the next person. Good eye contact during business and social conversations shows interest, sincerity and confidence. Introductions include one's title if appropriate, or Mr., Ms, Mrs. and the full name. Business cards are generally exchanged during introductions. However, they may be exchanged when one party is leaving.</p>



HSBC has also developed a Booklet - Business Connections - to give business travelers insights into cultural trends and customs around the world, in partnership with TIME magazine in 2002. This has been given as Appendix at the end of this chapter and would be both useful and entertaining for international marketers. It was published in Time magazine as a ten part series with each country being given in one issue and sponsored by HSBC

4.5 SUMMARY

The cultural dimension complicates the environment in which an international marketer has to operate. He must not only identify cultural boundaries but also what are the underlying similarities and differences. This is particularly important as previously business competition used to come from the firm around the corner. Today, it comes from anywhere in the world. Knowledge of other cultures, laws, and business practices has moved from being desirable to being essential in today's marketplace. An international marketer must therefore undertake a cultural analysis to understand the orientation and underlying forces which make the culture so that he can use the information while planning and executing his marketing programme.

4.6 SELF-ASSESSMENT QUESTIONS

1. Enumerate the elements that make up culture. Why is an understanding of different cultures important to an international marketing manager?
2. How does language complicate the tasks of global marketers? Explain with the help of examples.
3. How would you undertake a cultural analysis of a foreign market?

4.7 FURTHER READINGS

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4.8 APPENDIX

BUSINESS CONNECTIONS GUIDE TO BUSINESS CULTURE AROUND THE WORLD

1. CHINA

Developing close personal relationships or "guanxi" is an essential part of doing business in China

In China, always abide by the Confucian principles of showing humility, sincerity and courtesy in dealing with others and be sensitive to the concept of saving face. Never criticise or question counterparts in front of others and be aware that the Chinese find it difficult to say no, as this is seen to entail a loss of face.

Establishing business contacts can be a challenge. Try to find a third party or intermediary, such as a small business association, to introduce you to potential business partners.

Once initial contact is made, building a close relationship with business associates is key.

Unlike in the Western world, the Chinese are unlikely to enter into business until a personal relationship, or "guanxi" has been established. Friendships may be cultivated at business dinners and goodwill expressed through the giving of small gifts.

Delegates are expected to be punctual for business meetings and should enter the room in hierarchical order, led by the head of the delegation. The obligatory exchange of business cards is done during introductions. Ensure your card has both English and Chinese writing and give and receive cards with both hands. Spend a few moments reading the card given to you. One person should be chosen to speak on behalf of the foreign delegation as the Chinese may be confused by members of the same group contradicting each other. The pace of negotiations can be slow - accept that delays may occur and show little emotion. At the conclusion of negotiations, expect an invitation to a lavish banquet - a grand gesture of Chinese hospitality.

2. FRANCE

In France, be prepared for a passionate business encounter

When organizing a business trip to France, it is important to plan your business wardrobe carefully - the French are very fashion conscious and take great care with their appearance. French business culture is intensely hierarchical - **always observe business titles and use the more formal "vous", rather than the familiar "tu", unless invited to do so.**

Although likely to speak English, your French associates will appreciate an effort to conduct meetings in French - this might also help you gain an advantage over English-speaking competitors. Generally, negotiations are direct and to the point.

Difficult, probing questions are to be expected so ensure your proposal is carefully thought out and don't be unnerved by criticism. The French enjoy heated debate and you will earn the respect of your counterparts by articulating your point of view clearly and intelligently. Remember to maintain your composure at all times and mask any signs of frustration.

The French consider it vulgar to mention money at the start of a meeting so leave this until the end. Although the highest ranking individual will make the final decision, lower-ranking intermediaries should not be neglected; effective communication with all levels of an organization is the key to business success in France.

Informal business lunches are a popular way of building good working relationships, though business may not necessarily be discussed. The French are passionate about good food and wine - sharing a few glasses of wine (customary at most meals) with associates is the best way to cement personal relationships.

3. Brazil

In Brazil, a little know-how or "jeito" goes a long way

Brazilians are warm and friendly people and building personal relationships with associates is important in a culture in which **loyalty and trust are highly valued.**

As a general rule, Brazilians are relaxed about timekeeping. Meetings usually start with small talk and have an informal air - shake hands with everyone in the room on arrival and departure.



English is widely spoken in business circles. **If your Brazilian counterparts are reluctant to conduct Cultural Environment negotiations in English, don't use Spanish** - although the official language of the rest of South America, Portuguese is the first language in Brazil. Business cards should be printed in both Portuguese and English.

Brazilians are open-minded and are receptive to new ideas.

Negotiations tend to focus on achieving short-term results and the decision-making process is likely to be strongly influenced by subjective feelings. Keep in mind that effective personal interaction may carry more weight than an impressive presentation.

If you come across a seemingly insurmountable obstacle, don't give up. The Brazilians are very flexible in managing problems and have a word "jeito", meaning to find a solution or a way around things. This might involve pulling a few strings or devising a creative solution to bypass bureaucratic obstacles. Avoid conflict and confrontation, which are alien to the Brazilian temperament. Brazil's hierarchical business culture dictates that the person of highest rank will make the final decision.

At the end of a meeting, don't rush off -

Brazilians might take this as a personal insult and there may not be an appropriate "jeito" for resolving such a slight.

4. Hong Kong

In Hong Kong, get ready to join the business fast track

Many Hong Kong Chinese are Western educated and assume Western customs and habits, whilst maintaining ancient Chinese traditions and values. Thus, even if your Chinese counterparts appear to have a Western approach to business negotiations, **keep in mind the Confucian principle of maintaining face and show respect and humility in your dealings with them.**

Everything moves fast in Hong Kong and foreign business delegates must be able to move quickly and seize opportunities as they arise.

Well-known for their entrepreneurial flair and business acumen, the Hong Kong people are shrewd negotiators, who are not afraid to take risks. Be prepared to engage in the dynamic work ethic and to work long hours when required. Arriving late for a meeting is seen to signify a lack of serious interest. **Allow plenty of time to travel between appointments,** as roads can be very congested. Ensure you have the name of your destination written in Chinese, as some taxi drivers do not speak English.

Most people in Hong Kong speak English and Cantonese - the city's two official languages, though Mandarin is becoming more widely spoken. As in the mainland, **business cards are widely used and should be presented with both hands.**

Business entertaining may take place over a lunch of dim sum or a dinner spanning 10 or more courses. The evening may continue at a late-night bar, though this is more typical of the expatriate business community. **Hong Kong's blend of cultures demands that foreign visitors are both sensitive and flexible.** Above all, the ability to think on your feet will prove to be a vital asset.

5. Kazakhstan

A warm welcome awaits business travelers in Kazakhstan

Bridging Europe and Asia, Kazakhstan has a complex cultural identity which blends Mongol, Russian and Turkish influences. The country has an almost equal percentage of Kazakh and ethnic Russian citizens, though more than 100 ethnic groups are represented here. Most people speak either Russian or Kazakh, or both. English is not widely spoken and translators are usually a must.

Be sensitive to the fact that local culture combines Islamic and specific Kazakh traditions, with Russian Orthodox and Western influences.

Business cards, written in both Russian and English, are widely used and associates should be addressed by their first and patronymic names, as in Russia. Local business contacts may be able to introduce you to the relevant decision-making officials.

The pace of business can be slow and it may take more than one visit to successfully conclude a deal.

Kazakhs are warm and hospitable people, who enjoy getting to know their business counterparts socially. Typically, foreign delegates might be invited to drink tea at an associate's home, visit a communal sauna or attend a formal dinner in a restaurant. Kazakh society is intensely hierarchical and seating arrangements at business dinners will be dictated by rank. Vodka and cognac are drunk at social occasions and frequent toasts are customary.



Kazakh negotiators are tenacious arguers and discussions may become extremely animated. **Do not International Business openly contradict senior counterparts, as this would be considered disrespectful.** Once trust has been established, key decisions are often made informally and a handshake can carry greater weight than a written contract.

6. United Kingdom

In the UK, if in doubt of the correct protocol, err on the side of formality

Business dealings tend to be quite formal in the UK. Do not attempt to become too familiar with your associates and respect their privacy. Although business culture is traditionally very hierarchical, teamwork is important and team spirit is encouraged. In some areas, the class system is still evident with 'old boy's networks' continuing to operate in long-established finance houses or companies, although this old-fashioned elitist system is fast dying out.

Ensure you are punctual - it is considered rude to keep people waiting. Men and women tend to dress conservatively in business suits. A firm handshake on meeting is customary and business cards are usually exchanged at the beginning or end of a meeting.

The British will not hesitate to speak their minds so be prepared for some straight talking.

Avoid the hard sell in negotiations and do not flatter your counterparts, as it will make them uncomfortable, The British sense of humor can be quite sarcastic, though no offence will be meant and none should be taken. Subjective feelings are unlikely to be involved in the decision making process. **The British are not given to outbursts of emotion and may be disconcerted by business associates arguing aggressively.** Don't misinterpret a detached manner as disinterest - the British are well known for being aloof.

Business lunches are popular and socializing with colleagues in a local pub after work is commonplace. You may be invited to a dinner party at an associate's home - **take a bottle of wine and follow up the evening with a thank you note.** As in all things in the UK, good manners will always be appreciated.

7. Canada

In Canada's open-minded business culture, everyone is encouraged to share their point of view

Business customs in Canada and the US share many similarities. Business travelers should, however, be sensitive to cultural and language differences as Canadians are proud of their distinct heritage and unique cultural identity. Canada has two official languages, English and French, though English is more widely spoken and is used much more in business. (French is the official language of Quebec, so a non Frenchspeaking delegation visiting this province may require an interpreter.)

Business materials should be in English and French.

Canadians tend to be quite formal and reserved in the workplace. The business culture can be hierarchical, though meetings are usually very democratic and all participants are encouraged to voice their opinions. **As independent thinkers, who are not afraid to go against the group consensus,** Canadians will argue their viewpoints enthusiastically, though rarely aggressively.

It is important to be punctual for meetings and good manners will be appreciated. Use titles and **don't be too familiar with associates until you have developed a personal relationship.** Displaying an awareness and understanding of the multicultural environment will boost your chances of success in the business arena.

Courteous and friendly, Canadians are excellent hosts who enjoy entertaining associates. Business lunches are often quite light with little or no alcohol served and smoking is restricted or prohibited in many restaurants and bars. Whether in a business or social environment **don't be scared to speak up and ask for what you want** - Canadians will always respect honesty and openness.

8. United Arab Emirates

In the UAA, impatience is seen as bad form

The United Arab Emirates (UAE) is a federation of seven Emirates (Abu Dhabi, Dubai, Sharjah, Ajman, Umm Al Qaiwain, Fujairah, and Ras Al Khaimah) located on the Arabian Peninsula. Considered the most liberal country in the Gulf, the UAE is still relatively conservative by Western standards.

Less than half of the UAE's inhabitants are Arabs, though over 70% are Muslim. Arabic is the official language but English is widely used and understood.

People are relaxed about time in the UAE. Meetings generally begin with small talk and an offer of tea. Arabic coffee or soft drink (it would be thought rude to get straight to business). In the same way,



discussions should not be brought to a sudden close even if you are pressed for time (impatience is regarded as bad manners). Arabs look badly on displays of ill-temper or annoyance and negotiations are generally good humored and informal. Shaking hands on arrival and departure is the norm, although Arab men do not usually shake hands with women. **Women should wear a conservative skirt or trousers and jacket and ensure that necklines are modest.**

Business entertaining is usually lavish and in the Western style. An authentic feast may feature a whole sheep served on a bed of rice. **This should be eaten with the right hand only as the left hand is considered unclean.** Most Muslims do not drink and visitors should consult their host before ordering alcohol. Wait for your host to signal that the evening has come to an end - indicating that you are ready to leave would be taken as an insult.

9. Japan

Only team players will succeed in Japan's group-oriented culture

Japan has a very formal, hierarchical culture. When addressing a Japanese associate, use their surname or job title followed by 'san'. If speaking to a much more senior colleague use Mr or Ms with their surname. **Never use first names unless invited to do so.**

The Japanese will traditionally greet each other with a bow, though western counterparts are more likely to be greeted with a simple nod followed by a light handshake. If someone does bow to you, respond by bowing to the same level, with eyes lowered.

The key to establishing credentials, business cards should be written in both English and Japanese. **Present your card with both hands with the Japanese side facing up.** Similarly, receive a card with both hands and take a few moments to read it. A first meeting tends to be very formal. **Be careful not to display negative emotions or be too abrupt, which might cause loss of face.** Be especially deferential to older associates, who will usually be the most senior in rank.

In Japanese business culture, the group identity always prevails and all decisions are made within the group. Do not single anyone out, either for praise or criticism. **Expect every aspect of your proposal to be reviewed in minute detail** - the Japanese will gather as much information as possible to avoid potential problems later on.

Once outside the structured office environment, the Japanese are much more informal. Business entertaining might take place at a golf course, karaoke bar or a private room at a restaurant. If uncertain of the intricate dining etiquette, **simply follow the lead of your counterparts and remain humble, polite and modest.**

10. India

In India, much information is needed before a deal is struck

India's two official languages are Hindi and English, with English widely used in business. Translators are not required but **it is useful to have an intermediary to help navigate local bureaucracy.**

The traditional greeting is the namaste, (hold your hands in prayer position at chest level and bend your head towards your fingertips). Westerners are likely to be greeted with a handshake (women should not initiate a handshake with a man). In formal situations, you may be welcomed with a garland of flowers. Meetings usually start with tea and small talk. Building personal relationships is vital as subjective feelings weigh heavily in the decision-making process. **Bring plenty of business cards and be flexible about timing - itineraries often change at short notice.**

Indian society is very hierarchical and everyone is aware of their rank in relation to others. **Foreign businessmen should aim to gain access to associates at the highest level in order to advance rapidly.** Those in positions of authority are generally decisive and willing to take risks, whilst subordinates are reluctant to get involved in decision making and expect to follow directives.

Business negotiations can be protracted. **You might have to provide the same information several times to different people** but this is usually an indication that you are making progress.

A deal is often sealed with a meal. Most business meals are lunches, although you may be invited to an associate's home for dinner. Indians enjoy entertaining - "Serving a guest is like serving God" is a commonly held belief. Leave a little food on your plate to avoid offending your host (an empty plate may suggest you are still hungry).

(Source : HSBC Website)