

CONTENT MODULE 4

CULTURE OF BUSINESS RELATIONS IN INTERNATIONAL BUSINESS

Topic 6

Cultural factors in business and marketing Plan

1. Cultural factors and business travel.
2. Business ethics in export activities.



Basic terms and concepts

Cultural factors, business travel, business ethics in export activities, foreign visits, business culture, consumer habits, business practices, business culture.

Thematic theses

1 Cultural factors and business travel.

The special positioning of the product and its success among consumers may be the result not only of unique quality characteristics of the product, but also its design or special stories - ideas-meanings embedded in the product.

An export-oriented firm should strive to ensure that products have characteristics that are determined by the company's values and culture. The latter is derived from the way people work in the company. And the more unique the teamwork, the more difficult it will be to reproduce it, and hence the company's product. What matters is how the company's culture defines the product.

Note that when studying the technologies of competitors who have a positive image and reputation, it is important to remember that copying them is not enough. The most difficult thing is to achieve the same level of customer service, which will also include factors of emotional resonance with the consumer community.

In order to experience changes in the behavior of a community (which later become changes in consumer behavior) it is necessary to strive for close contact with such a community. It is necessary to show high empathy for her.

The creation of meanings can take place not only directly in the product, but also in any elements and attributes of business and corporate design.

Important ingredients for success in exports and international business are the ability to build chains between cultures, which is achieved through the study and consideration of cultural characteristics of their own culture and the culture of foreign partners. Regardless of the sector in which the firm operates, global cultural differences directly affect the profitability of the business. Lack of knowledge about business practices, social traditions and etiquette in the target market can weaken the company's position, hinder the achievement of its goals, level all systematic efforts to build business cooperation and as a result lead to inefficient export activities and waste of time. Lack of a proper level of

knowledge about the peculiarities of business culture means incomplete use of all the benefits of the international market.

The study of the cultural characteristics of the target market should be an integral part of market research. The information obtained is taken into account in the company's marketing strategy, in the preparation of electronic communication, in meetings and negotiations with foreign partners.

Culture and language are special challenges, as some Europeans seek to do business only if they use only their own language in negotiations and other international communications. For example, the French consider it impolite to start business cooperation in a language other than French.

Some of the typical cultural differences include business styles, business acumen and punctuality, negotiation styles, gift-giving traditions, greetings, gestures, colors, numbers, and communication traditions.

Therefore, it is important to get acquainted with the necessary material and communicate with people who are familiar with foreign culture. You can also prepare for a visit abroad by studying guides for travel to target countries.

Practical knowledge of business culture, management principles, business methods and consumer habits in the target market can be acquired through research and training. One way is to try to get advice on the cultural features of the country and common business practices through diplomatic missions (embassies) of Ukraine in target countries, which usually have trade departments, through contacts with the embassy of the target country in Ukraine and receive various materials. Such materials are often distributed free of charge. For example, the Dutch embassy in Ukraine does this. Such awareness and skills will have a positive impact on your communication with foreign partners and on the results of foreign travel.

If possible, you should use the help of a "cultural mentor" - for example, a partner or acquaintance of the target market, who can be asked important questions about the culture, social and business rules of a particular country. Business manners and methods, religious traditions, dietary practices, humor and acceptable clothing style are different in different countries. Such awareness and skills are very likely to have a positive impact on your communication with foreign partners and on the results of foreign travel.

We emphasize that we must always maintain business and human contacts. Flexibility and cultural adaptation should be the main principles for business travel abroad. Knowledge and respect for the cultural characteristics of the target countries are noticeable during contact, and this is always appreciated.

Proper use of titles is often a source of confusion in international business. In many countries (including Denmark, France and the United Kingdom) it is customary to use titles until there is an agreement to use the first names. On the other hand, first names are rarely used when doing business in Germany. Those who pay a business visit to Germany must use their title and surname. Titles such as "Her Direktor" are sometimes used to emphasize authority, status and rank. In

Belgium, it is important to refer to French-speaking business contacts as "Monsieur" or "Madame", while with Flemish contacts you should use "Mr." or "Mrs." Mrs., Mrs.).

Consider the features of the exchange of business gifts. In some cultures, gifts are expected and their absence is seen as an insult. In other countries, giving a gift may be considered offensive. Managers should also know when to give a gift (for example, during the first visit or on the next); where to give a gift (for example, publicly or privately); what type of gift to give; what color should be used and how many gifts to give.

If gifts are an important part of doing business in Japan, where they are usually exchanged at the first meeting, the tradition of business gifts in Germany is completely different, because it is considered inappropriate. Gifts are not uncommon in Belgium or the UK either, although in both countries flowers are a traditional gift when invited home.

Negotiations in international business can be significantly complicated by cultural differences. Before negotiations, it is desirable to understand how important the ranks of negotiators are and who the decision-makers are. It is important to know the business style of a foreign company, to understand the nature of transactions in it, the meaning and importance of gestures in etiquette.

Note that you need to be careful about the choice of customers. The urgency of this issue in the international context is due to the fact that it requires frequent, honest and responsible communication. If the client's communications do not meet these requirements, it is impractical to cooperate with him. The same applies to cases where the client claims special treatment for unconvincing reasons or offers new terms at the last stage of negotiations without prior discussion. It is also necessary to avoid cooperation with clients, which makes them feel significant discomfort.

Differences in national business practices and perceptions of cultures can be a source of misunderstandings that manifest themselves at some stage in the development of business cooperation. With this in mind, you should strive to detail the format, terms and conditions of cooperation with a foreign partner - preferably in the form of a signature from the key manager of the company you plan to work with, or its owner. The ideal partner will be ready to take on such a responsibility.

There is no need to hurry during the initial contact and negotiations. It is worth giving enough time to achieve a common vision on certain issues of cooperation. It is important to behave openly, positively, inquisitively, smile, be polite and tactful, demonstrate steps to study (take into account) the culture of the partner. Do not hesitate to ask clarifying questions.

2. Business ethics in export activities.

Business etiquette is important for export-oriented activities of companies. A code of conduct can be a great "business card" that your company will use to

introduce itself to potential foreign buyers, many of whom adhere to their own codes of conduct.

Compliance between your own code and that of the exporting partner will help ensure a secure relationship between the two companies.

The company should be built in such a way that employees do not have moral dilemmas - conflicts between their personal values and compromises at work. This becomes possible when ethics is part of the business strategy, when the company consciously implements ethical standards and code of ethics for the global market.

It is also necessary to take into account the characteristics of the consumer in the international market. Consider this aspect on the example of the European consumer. The risk of operating in the European market depends largely on the product or service offered to European consumers. The EU consumer has many characteristics, but the general expectations are in the areas of service, pricing, quality and competition. Many describe Europe as a market that values speed of delivery and reliability, technical support, customized goods and after-sales service.

Europeans expect the goods to last a long time, and take the manufacturer's promises seriously. If the concept of "warranty", for example in the US, means that when a product fails, it will be repaired immediately, in Europe, the warranty is almost a quality brand that guarantees that the product will work reliably.

It is also necessary to use a certain approach to marketing, which will allow you to function effectively and develop in the international market. An example is the activities of an export-oriented firm in the EU. Product marketing in Europe can be built on two levels: pan-European or country-specific. Cultural and language barriers make it difficult to succeed in pan-European programs. To ensure a correct understanding of information messages, experts recommend creating packaging, labels and promotional materials for each country.

Before starting to operate in a foreign market, you can explore the connotation (associative relationship) between a brand, brand name, number, etc., analyze the translation of the product name into the language of the country to which the product is exported. Another language or culture may have a negative or even meaningless meaning for words or symbols with neutral or positive associations in a foreign country.

The difficulty of pronouncing a trademark can also be a problem that needs to be tested by the target audience. In addition, some numbers are considered positive or negative, and this should also be taken into account when determining the weight of the product (which will be indicated on the package) or the number of units in the package. For example, in the West, the number seven is considered happy, while thirteen is considered unhappy. Even the color of the package may have a different meaning depending on the country. For example, white means purity in the United States, but is the color of sorrow in most Far East countries.

In the case of multinational companies promoting their products on European markets, there were unfortunate cases of incorrect translation. For example, part of the Chevy Nova brand name in Spanish sounds like "no va", and Pepsi's slogan "Come Alive With Pepsi" translates into German as "Pepsi Coffin Rise". ». Successful sales in Europe may require Ukrainian producers to change their approach to production and sales.

You always need to keep in touch in business. Any business, including export, is based on personal ties. You need to pay close attention to ensuring a high level of service to maintain strong customer relationships. Much depends on the ability to communicate regularly, the desire to ensure customer satisfaction, keeping promises and the ability to become a valuable partner in ensuring the business and professional growth of your customers.

When building a relationship with a foreign consumer, representative or distributor, it is important to work on building and maintaining such a relationship. Activities should be determined by generally accepted norms of behavior. For example, the company must inform consumers and contacts about all changes, including changes in price, staff, addresses and telephone numbers. Due to the distance, contact can quickly become "obsolete" and lose its usefulness, if not maintained by communication. If the company can't afford to travel often, you can use fax, e-mail and telephone to keep your business active.

In order to successfully enter the international market and realize the potential of an export-oriented firm, it is necessary to study basic international business practices.

National businesses need to know the basic practices for successful international sales. Because cultures are different, there is no single business code. The following basic practices are cross-cutting for different cultures. They help the company to operate abroad:

a) keep promises. The biggest complaint from foreign importers against Ukrainian entrepreneurs is the inability to fulfill their contractual obligations, as well as) to come to the meeting at the agreed time. The first order in this sense is especially important because it forms in the consumer the image of a reliable or unreliable partner;

b) be polite, courteous and friendly. It is important to avoid excessive familiarity or slang, which may be misunderstood;

c) personally sign all letters. Formal letters are unacceptable. After all, the comfort factor of communication and the feeling of trust and sympathy is extremely important for establishing a long-term business relationship.

Ukrainian companies are often too "vertical" - employees have little autonomy to make decisions within their competence. This makes it necessary to constantly clarify with the head. This approach to doing business complicates relations with European partners, who are accustomed to the fact that each representative of the company has sufficient autonomy in performing their functions. European companies usually do not have a "decision maker".

There are procedures and logic of work on the basis of which decisions are made. A small number of Ukrainian companies operate within the legal field. This may shock the Western partner and seriously reduce the chances of successful cooperation in the future. An entrepreneur who immediately offers dubious, from the point of view of the law, steps, looks at least frivolous. Even hints or jokes about possible violations of the law will harm business relationships.

There is an urgent need to move from the philosophy of "I sell what I produce" to the philosophy of "I sell what the market needs."

A significant number of Ukrainian businessmen do not yet speak a foreign language (English). Meanwhile, this attribute is extremely important for effective international cooperation.

You need to be able to interest a foreign partner. It is important to remember that Western business people tend to have a wide choice of countries and companies to work with. Today, the Ukrainian market is not very attractive due to low purchasing power of consumers and significant risks.

When meeting a foreign partner, the entrepreneur presents himself in three images: as an individual, as a representative of his company and as a representative of his country. It is important to feel confident in each of these three roles. Acquiring the necessary business qualities and their constant cultivation is reflected both in the business and in the people who were hired in the team, as well as in how interesting it will be to communicate with foreign partners. In this context, the brand is also formed as a derivative of the individual, the uniqueness that is invested in the activities of the firm.

Unfortunately, this attitude towards the fulfillment of contractual obligations is systemic and shows serious differences in approaches to doing business in Ukraine and the EU. Western partners are often interested in building long-term stable relationships in which they carefully plan the capacity utilization of their production and sales facilities. They have a much longer business planning horizon in the EU than in Ukraine.

In this case, over-focusing on immediate profits will only "pull the firm out of the game" with strategic international players. In addition, a significant number of such cases result in Western entrepreneurs refusing to do business with Ukraine in principle, as they consider the risks of such cooperation unjustified. After all, there is a serious lack of skills in Ukrainian business to fulfill contractual obligations, as well as the inability to communicate properly with a foreign partner and warn him in advance about possible changes in the schedule and plans of their business. These are critical to building a business reputation.

Other problems of Ukrainian companies include:

- a) lack of quality;
- b) misconception about the price;
- c) the desire to enter the market of low quality goods with low quality goods;

d) shift the focus to exports only when exports can no longer change anything, because before export sales to the market you must first invest in it, and this requires some investment capital.



Questions for self-control

1. Describe the cultural factors.
2. What is business travel?
3. Identify the features of business ethics in export activities.
4. What are the differences between national and foreign business practices?
5. What is the importance of studying the cultural characteristics of the target market?