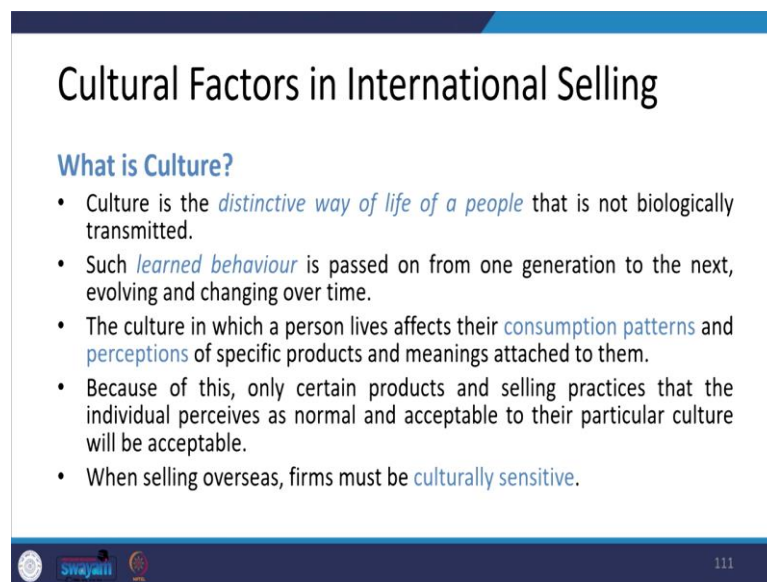


Strategic Sales Management
Prof. Kalpak Kulkarni
Department of Management Studies
Indian Institute of Technology, Roorkee

Lecture - 35
Role of Culture in International Selling

So, after learning that 80 percent of businesses fail while going internationally, so, what are the reasons for this? And, most of the time if you do research, culture is something that is bound to be a reason for most of the business failures. So, let us evaluate the Role of Culture while Selling in International Markets. What is culture? Let us understand this concept first.

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Cultural Factors in International Selling

What is Culture?

- Culture is the *distinctive way of life of a people* that is not biologically transmitted.
- Such *learned behaviour* is passed on from one generation to the next, evolving and changing over time.
- The culture in which a person lives affects their *consumption patterns* and *perceptions* of specific products and meanings attached to them.
- Because of this, only certain products and selling practices that the individual perceives as normal and acceptable to their particular culture will be acceptable.
- When selling overseas, firms must be *culturally sensitive*.

Swayam 111

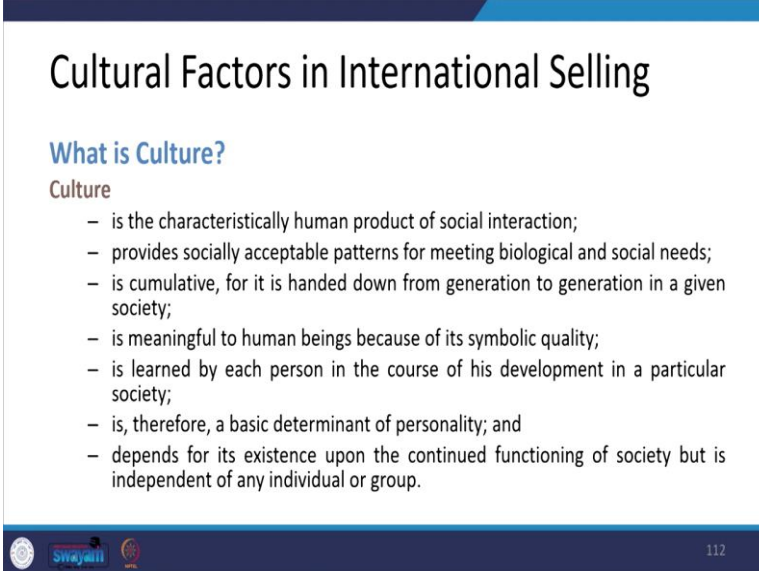
So, culture is the distinctive way of life of a people that is not biologically transmitted, right.

So, such learned behaviour is passed on from one generation to the next, evolving and changing over time from generation to generation. The culture in which a person lives affects their consumption patterns as well and perception of specific products and meanings stretched to them or the meanings associated with those products.

So, because of this, only certain products and selling practices that the individual perceives as a normal and acceptable as per his or her own kind of you know culture gets

acceptance from those kinds of consumers. When selling overseas, firms must be culturally sensitive.

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Cultural Factors in International Selling

What is Culture?

Culture

- is the characteristically human product of social interaction;
- provides socially acceptable patterns for meeting biological and social needs;
- is cumulative, for it is handed down from generation to generation in a given society;
- is meaningful to human beings because of its symbolic quality;
- is learned by each person in the course of his development in a particular society;
- is, therefore, a basic determinant of personality; and
- depends for its existence upon the continued functioning of society but is independent of any individual or group.

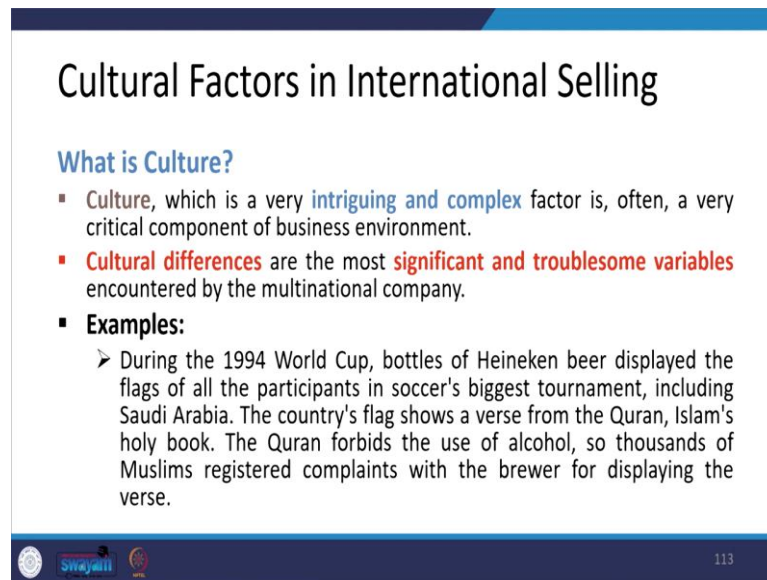
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So, culture is defined as, something which is the characteristics human product of social interaction. Provide socially acceptable patterns for meaning for meeting biological and social needs. Culture is cumulative for it is a handed down from one generation to the next one even in a society. Culture is meaningful to human beings because of its symbolic quality as well.

Culture is learned by each person in the course of his development in a particular society that is why it is called as a learned behaviour. Culture is therefore, a basic determinant of personality itself for any customer. And, it depends for its existence upon the continued functioning of society, but is independent by any individual or group.

So, culture is a collective term which is adopted and which is something which is taken in a collective manner and not just kind of you know it is an independent of any individual or group as well, its form of the kind of you know community that is how a particular culture is defined.

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Cultural Factors in International Selling

What is Culture?

- **Culture**, which is a very **intriguing and complex** factor is, often, a very critical component of business environment.
- **Cultural differences** are the most **significant and troublesome variables** encountered by the multinational company.
- **Examples:**
 - During the 1994 World Cup, bottles of Heineken beer displayed the flags of all the participants in soccer's biggest tournament, including Saudi Arabia. The country's flag shows a verse from the Quran, Islam's holy book. The Quran forbids the use of alcohol, so thousands of Muslims registered complaints with the brewer for displaying the verse.

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So, culture which is a very intriguing, but complex factor is, often, a very critical component of business environment as well. So, cultural differences are the most significant and troublesome variables encountered by the multinational companies across the globe.

For example, during the 1994 World Cup, bottles of Heineken beer a brand of beer Heineken, displayed the flags of all the participants when there is soccer's biggest tournament is going on including the flag of Saudi Arabia.


The country's flag shows a verse from Quran, Islam's holy book. The Quran forbids the use of consumption of alcohol, so thousands of Muslim kind of you know sports lovers registered complaints against the Heineken or the brand with the brewer for displaying the verse on that particular beer bottles.

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Cultural Factors in International Selling

What are cultural values?

- The most useful information on how cultural values influence various types of business and market behavior comes from seminal work of Geert Hofstede.
- Studying more than 90,000 people in 66 countries, he found that the cultures of the nations studied differed along four primary dimensions as follows: the *Power Distance Index* (PDI), the *Individualism/Collective Index* (IDV), the *Uncertainty Avoidance Index* (UAI), and the *Masculinity/Femininity Index* (MAS).
- Subsequent studies identified a fifth dimension, *Long-Term Orientation* and a sixth, *Indulgence*.



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Then what are the cultural values? The most useful information on how cultural values influence various types of business and markets comes from a work research work or seminal work of Geert Hofstede.

So, he studied more than 90,000 people across 66 countries, he found that the cultures of the nation differed along four primary dimensions: one there is Power Distance Index, second one is Individualism, Collectivity or Collective Index, Uncertainty Avoidance Index and the Masculinity-Femininity Index. Additionally, again subsequent studies have identified fifth and sixth dimension which are Long Term Orientation.

And then the sixth one is the Indulgence or a kind of society which is like Indulgence or Restraint society. So, this Hofstede's work has provided us the 6 kind of you know cultural values on which we can kind of you know compare countries with respect to each other.

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Cultural Factors in International Selling

Power-distance

- Cultures that endorse low power-distance expect and accept power relations that are more consultative or democratic. People relate to one another more as equals, regardless of formal positions. For instance, people tend to communicate with each other on a first-name basis. Subordinates are more comfortable with demanding the right to contribute to and critique the decision making of those in power.
- In high power-distance countries, the less powerful accept power relations that are more autocratic and paternalistic. Subordinates acknowledge the power of others simply based on where they are situated in certain formal, hierarchical positions.
- This would have a major bearing on the structuring of a sales force, since the hierarchical level of the salesperson affects their ability to interact on a meaningful level with a potential customer.

Swajili 115

So, first dimension is power-distance. So, cultures that endorse low power-distance expect and accept power relations that are more consultative or democratic. People relate to one another in this type of culture more as equals, regardless of their formal positions they enjoy. So, for instance, people tend to communicate with each other on a first-name basis, right. So, subordinates are more comfortable with demanding the right to contribute to and critic the decision making of those in power as well.

Whereas, in high power-distance countries, the less powerful accept power relations that are more autocratic and paternalistic; subordinates here acknowledge the power of others simply based on where they stand in that particular hierarchy. So, this would have a major bearing on the structuring of your soul sales force, when you are planning to go international. Since the hierarchical level of the salesperson affects their ability to interact on a meaningful level with the potential customer as well.

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Cultural Factors in International Selling

Uncertainty-avoidance

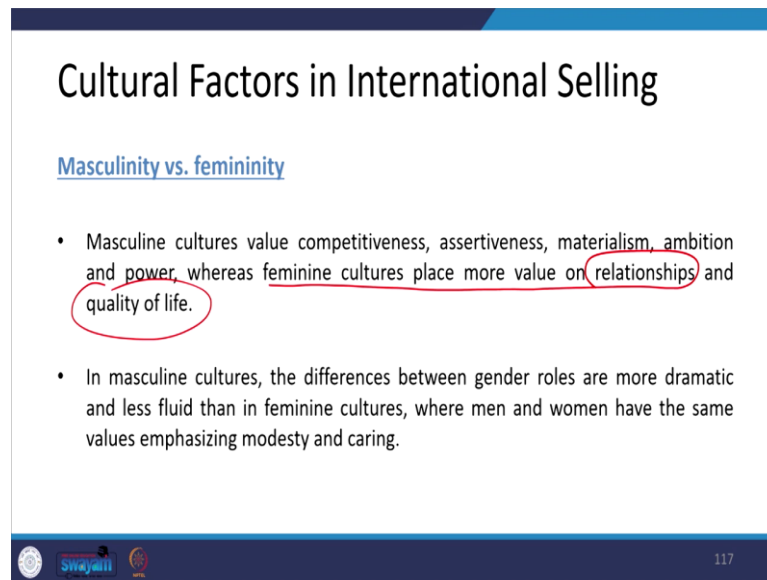
- This refers to a society's tolerance for uncertainty and ambiguity. It reflects the extent to which members of a society attempt to cope with anxiety by minimizing uncertainty.
- People in cultures with high uncertainty-avoidance tend to minimize the occurrence of unknown and unusual circumstances; they tend to proceed with careful step-by-step changes, by planning and by implementing rules, laws and regulations.
- By contrast, low uncertainty-avoidance cultures accept and feel comfortable in unstructured situations or changeable environments and try to have as few rules as possible. People in these cultures tend to be more tolerant of change.

Swajali 116

Second dimension of cultural value is uncertainty-avoidance. So, this refers to society's tolerance for kind of you know uncertainty and ambiguity. It reflects the extent to which members of society attempt to cope with anxiety by minimizing uncertainty. So, people in culture with high uncertainty-avoidance tend to minimize the occurrence of unknown and unusual circumstances; they tend to proceed with careful step-by-step changes by planning and by implementing rules, laws and regulations.

By contrast, low uncertainty avoidance-cultures accept and feel comfortable in unstructured situations or changeable environments and try to have as few rules as possible. People in these cultures tend to be more tolerant of change. So, that is kind of another dimension of culture.

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Cultural Factors in International Selling

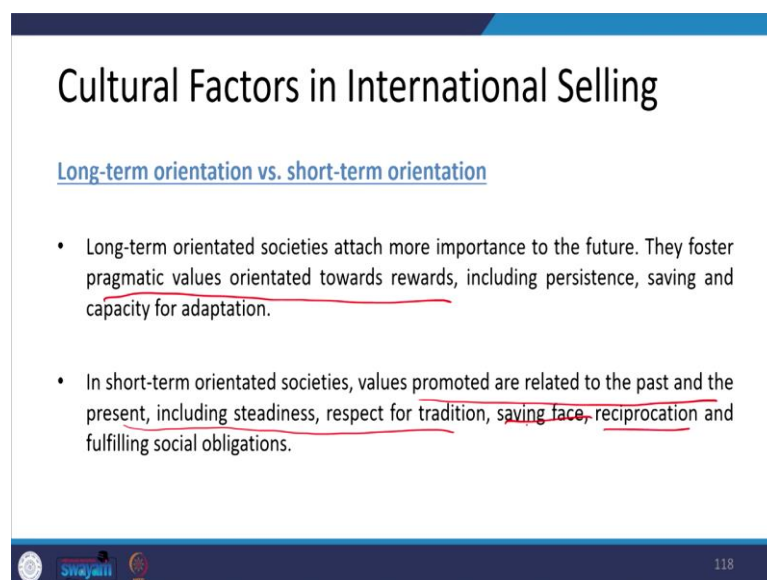
Masculinity vs. femininity

- Masculine cultures value competitiveness, assertiveness, materialism, ambition and power, whereas feminine cultures place more value on relationships and quality of life.
- In masculine cultures, the differences between gender roles are more dramatic and less fluid than in feminine cultures, where men and women have the same values emphasizing modesty and caring.

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Third one is masculinity and femininity. So, masculine cultures value competitiveness, assertiveness, materialism, ambition and power; whereas, feminine cultures place more values on relationships and quality of life. So, in masculine cultures, the differences between gender roles are more dramatic and less fluid than in feminine cultures, where men and women have same values emphasizing modesty and caring.

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Cultural Factors in International Selling

Long-term orientation vs. short-term orientation

- Long-term orientated societies attach more importance to the future. They foster pragmatic values orientated towards rewards, including persistence, saving and capacity for adaptation.
- In short-term orientated societies, values promoted are related to the past and the present, including steadiness, respect for tradition, saving face, reciprocation and fulfilling social obligations.

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Fourth dimension long-term orientation and short-term orientation: So, long term-oriented societies attach more importance to the future. They foster pragmatic values

oriented towards rewards, in including persistence, savings and capacity for adaptation as well. In short term-oriented societies, values promoted are more related to the past and the present, including steadiness, respect for tradition, saving face, reciprocation and even fulfilling social obligations.

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Cultural Factors in International Selling

Individualism vs. Collectivism

- In individualistic societies, the stress is put on personal achievements and individual rights. By contrast, in collectivist societies, individuals act predominantly as members of a life-long and cohesive group or organization.
- A salesperson from a collectivist nation would need permission from the group before taking actions, which could be frustrating for a customer who is from an individualistic nation and wants to take actions in their own best interest and wants to reach an agreement quickly.

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Individualism versus collectivism: So, in individualistic societies, the stress is put on personal achievement and individual rights. By contrast, in collectivistic societies, individuals act predominantly as members of a life-long and cohesive group or organization. So, what is the focus is on? Whether individual achievements should be rewarded? Or it is a group that has you know kind of you know excel and then you need to revert that particular group entire group as it is.

So, a salesperson from a collectivistic nation would need permission from the group before taking actions, which could be frustrating for a customer who is from an individualistic nation and wants to take action in their own interest and wants to reach an agreement quickly.

So, that kind of conflicts might arise, when you are dealing with a customer who is coming from individualistic culture, who values to take his own decision by his own or her own. And then, you are salesperson and you are who is coming from a collectivistic society who always asks or you know will be always kind of needing a guidance from the superiors.

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Cultural Factors in International Selling

Indulgence vs. restraint

- Societies with a high rate of indulgence allow hedonistic behaviors, so people can freely satisfy their basic needs and desires.
- By contrast, restraint societies have strict social norms, whereby gratification of desire is suppressed and regulated.

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Another dimension is indulgence versus restraint. Societies with high rate of indulgence allow hedonistic behaviours, so people can freely satisfy their basic needs and desires. Whereas, by contrast, in restraint societies have strict social norms, whereby gratification of desire is suppressed and regulated always.

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So, one can visit the Hofstede Insights dot com, a website created based on the research that is done by Hofstede. You can collect, you can select different countries like India versus Japan versus US kind of you know 3 countries across the globe. And, you can see

the differences across these 3 countries with respect to cultural dimension that we just studied.

That is power-distance for example, the first dimension. India scores high as compared to even Japan and US. Whereas, in terms of individualism, you can see that US gets more score as compared to India and Japan; that means, how a particular culture is made up of? What is the cultural threats that are, how they are behaving at kind of you know particular level?

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Cultural Factors in International Selling

- Culture includes both **abstract** and **material** elements. **Abstract elements include values, attitudes, ideas and religion.** These are learned patterns of behaviour that are transmitted from one generation to another.
- **Material elements of the culture are levels and type of technology and consumption patterns within that society.**
- The **Prahalad and Doz integration and responsiveness model** (1991) has proven to be a valuable model in portraying the approach that firms may adopt in their international operations.

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So, culture includes both abstract and material elements. So, abstract elements include values, attitudes, ideas and religion. These are learned patterns of behaviour that are transmitted from one generation to another. Material elements of the culture are levels and type of technology and consumption patterns within that particular society.

So, Prahalad and Doz provided this integration and responsiveness model to be a valuable model that can your portray the approach that firms may adopt in their international operations. So, this is something what they propose. So, we have integration on one axis and then we have responsiveness on the other axis.

And, then, companies need to find out the pace or place or in this particular kind of you know dimensions where they want to be in that particular on those particular two dimensions, what kind of sort of kind of you know strength or weaknesses that their

resources provide them. So, best strategy here is to think global and act local. So, score very high on responsiveness, at the same time integrate those kind of you know functions within your organization while adopting that particular culture.

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Cultural Factors in International Selling

Prahalad and Doz integration and responsiveness model (1991)

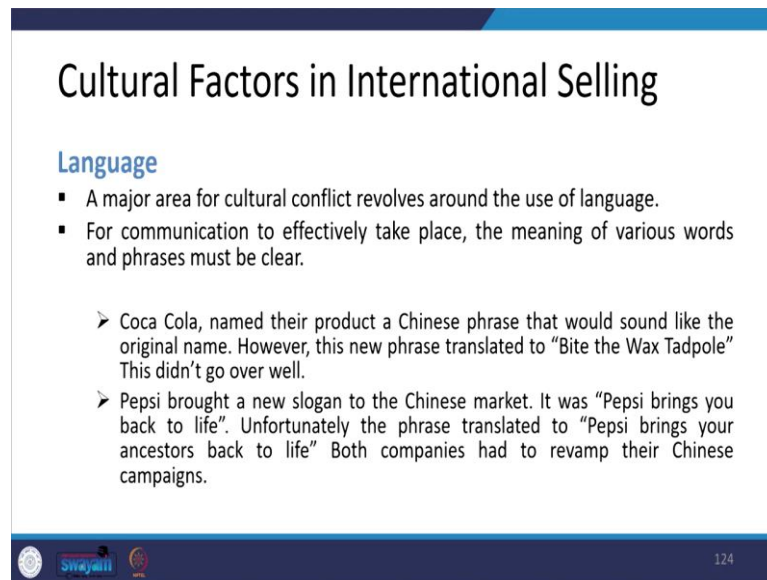
- According to this model, a firm may opt to maintain its standardised products/services across its international markets or choose to adapt its product offerings according to the cultural needs of the respective country.
- However, according to this model, sustained competitiveness would ideally be achieved if companies strove to achieve the balance of 'Think global, act local'.
- Subsequently, not only would the firm and its employees be able to integrate fully within the culture, but they would also be able to respond appropriately to the cultural demands and needs of the specific market – thereby achieving a win-win situation.

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So, according to this model given by Prahalad and Doz integration responsiveness model, a firm may opt to maintain its standardized products across its international markets or it can choose to adopt its products offerings according to the cultural needs. So, there are two options, you are taking the product as it is; like you know having the same product or standardized products across the globe or across the markets or you can adapt that particular model to particular country that you are trying to reach out to.

So, however, according to this model sustained competitiveness would ideally be achieved only if the company's practices kind of you know balance of Think global, and act local. So, subsequently, not only would the firms and its employees be able to integrate fully within culture, but they would also be able to respond appropriately to the cultural demands of that particular country while meeting their your business objectives and that is creating kind of you know a win-win situation for both businesses as well as customers.

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Cultural Factors in International Selling

Language

- A major area for cultural conflict revolves around the use of language.
- For communication to effectively take place, the meaning of various words and phrases must be clear.

- Coca Cola, named their product a Chinese phrase that would sound like the original name. However, this new phrase translated to “Bite the Wax Tadpole” This didn’t go over well.
- Pepsi brought a new slogan to the Chinese market. It was “Pepsi brings you back to life”. Unfortunately the phrase translated to “Pepsi brings your ancestors back to life” Both companies had to revamp their Chinese campaigns.

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Now, there are apart from this culture, it has different kind of you know sub-dimension as well, within that particular culture we have to look at language, which is a major area of cultural conflict that revolves around the use of language itself. So, for communication to effectively take place the meaning of various words and phrases must be clear.

Let us look at some interesting examples, Coca Cola. So, they name their product a Chinese phrase that would sound like the original name. However, this new phrase translated to “Bite the Wax Tadpole” in Chinese language. So, this did not go over well with the brand. Again, their competitor the rival Pepsi, they bought a new slogan to the Chinese market it was “Pepsi brings you back to life”; however, unfortunately the phrase translated to “Pepsi brings your ancestors back to life”.

So, both companies Coca Cola and Pepsi had to revamp their Chinese campaigns again. So, as to use kind of you know appropriate language to connect with their customers. Let us look at some more blunders.

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Cultural Factors in International Selling

Language – Some More blunders...

- In 1987, when **Kentucky Fried Chicken** opened its first outlet in Beijing, its slogan 'finger-lickin' good' was incorrectly translated as 'eat your fingers off.'
- Toyota's **Fiera** proved controversial in Puerto Rico, where 'fiera' translates to 'ugly old woman'.
- In order to appeal to first class customers, **Braniff International airlines** created a campaign to promote their finely upholstered seats. But it backfired after their slogan 'Fly in Leather' when translated into Spanish became 'Fly Naked.'
- **Ford's Pinto** failed to make an impact in the Brazilian market. The reason behind its flop was the name 'Pinto' which translated to 'tiny male genitals' in Brazilian Portuguese slang.
- When the **Honda Fitta** was introduced to **Nordic countries** in 2001, it quickly had to rename the brand to **Honda Jazz** as Fitta translated to 'female genitalia'.
- **General Motors** introduced the Chevy Nova in Latin America but were appalled by the fact that it bombed. They soon realised their folly when someone pointed that 'Nova' translates to 'It doesn't go' in Spanish.

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So, in 1987, when Kentucky Fried Chicken popularly known as KFC they open its first outlet in Beijing, again in China, its slogan “Finger-licking good’ was incorrectly translated as “eat your fingers off”, right. Another example, Toyota’s Fiera proved controversial in Puerto Rico, one of the Atlantic American company where ‘Fiera’ translates to ‘ugly old women’ and who wants to have that kind of you know vehicle, right.

Coming to next example, in order to appeal to first class customers, airline industry, Braniff International airlines created a campaign to promote their fully upholstered seats. But it backfired after their slogan ‘Fly in Leather’ which actually translated into Spanish as ‘Fly Naked’. So, nobody would like to fly naked, right.

So, Ford’s Pinto again another example, which failed to make an impact in Brazilian market. The reason behind its flop was the name ‘Pinto’ which translated to ‘tiny male genitals’ in Brazilian Portuguese language or slang. Another example, when the Honda Fitta was introduced to Nordic countries, see the brands where they are coming from and which the countries they are targeted or opening into or go going into. So, Honda from this Asia Asian company coming to the Nordic cultures.

In 2001, it quickly had to rename the brand Honda Fitta to Honda Jazz as ‘Fitta’ translated to ‘female genitalia’ in that particular Nordic countries. And, then General Motors, which introduced Chevy Nova in Latin America but were appealed by the fact

that it bombed; so, they soon realized that the folly when they someone pointed that 'Nova' translates to 'It does not go' in Spanish. So, most of those Latin American people speak Spanish.

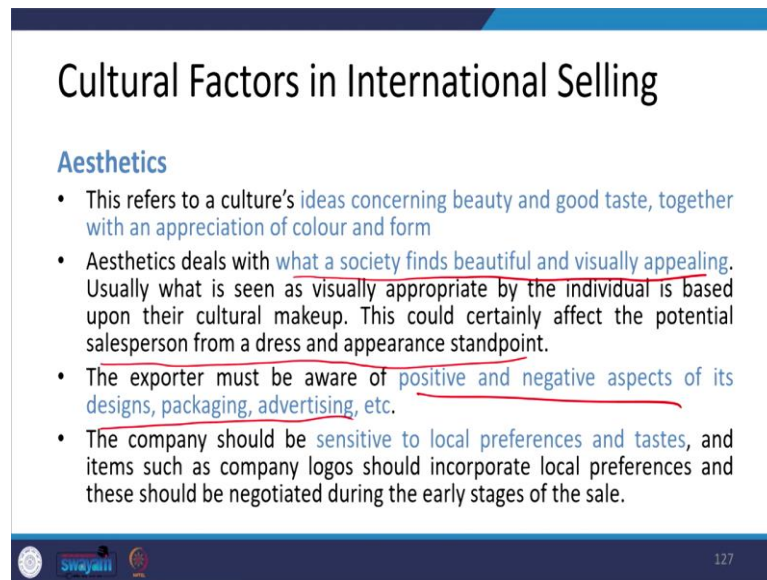
And GMs logo or a tagline for that particular brand Nova is something which is translated into 'it does not go' and who will want to have drive that vehicle which does not move or go, right. So, these are some interesting examples one can have a look at. So, a key ingredient in international selling is a command of foreign language.

So, as one of the German chancellor previously that Willy Brandt once said, "If I am selling to you I will speak English, but if you are selling to me dann müssen Sie Deutsch sprechen" What does it mean? [laughing]; That means, you should must learn German as well, because I am German.

So, sales people also need to understand both the nuances of foreign language and not just nuances of foreign language or meaning, but even the silent and non-verbal language cues present in that particular foreign language as well. So, example a salesperson needs to know that in Japanese, Yes often means No; but that a Chinese, No often means Yes, that is kind of you know non-verbal or even verbal silent cues one should be aware of when interacting with international clients or customers.

Another factor under culture is aesthetics. So, this refers to a culture's ideas concerning beauty and good taste together with an appropriate of colour and form.

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Cultural Factors in International Selling

Aesthetics

- This refers to a culture's ideas concerning beauty and good taste, together with an appreciation of colour and form
- Aesthetics deals with what a society finds beautiful and visually appealing. Usually what is seen as visually appropriate by the individual is based upon their cultural makeup. This could certainly affect the potential salesperson from a dress and appearance standpoint.
- The exporter must be aware of positive and negative aspects of its designs, packaging, advertising, etc.
- The company should be sensitive to local preferences and tastes, and items such as company logos should incorporate local preferences and these should be negotiated during the early stages of the sale.

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So, aesthetics deals with what a society finds beautiful and visually appealing. So, usually what is seen as visually appropriate by the individual is based upon their cultural makeup. This could certainly affect the potential salesperson from a dress and appearance stand point of view.

So, how your sales force is kind of you know getting ready for the sales calls if they are meeting the customers with one and one meetings the dressing and kind of you know professional kind of you know appearance takes front seat. So, the exporter must be aware of positive and negative aspect of its design, packaging, advertising as well. So, the company should be sensitive to local preferences and tests.

And items such as company logo should incorporate local preferences and these should be negotiated during the early stages of the sale.

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Cultural Factors in International Selling

Religion

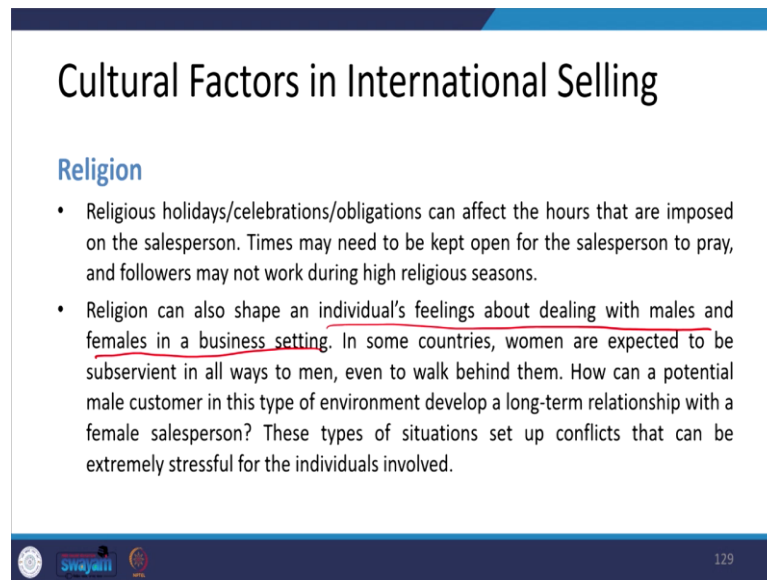
- Material culture and aesthetics are outward manifestations of a culture and give an indication of how consumers in a particular culture behave.
- The firm selling overseas needs an understanding of why consumers behave in that way.
- The religion practiced by a culture can give insights into its members' behaviour. A company must be aware of religious differences in its foreign markets and be prepared to make adaptations both in selling operations and in the products themselves.

Swajati 128

Another factor, under culture is religion. Material culture and aesthetics are outward manifestations of a culture and give an indication of how consumers in a particular culture behave, but that is an outward manifestation of a culture. If you want to go deep or understand the internal manifestation of cultures, you have to look at the religious practices adopted or followed by those customers. The firm selling overseas needs an understanding of why consumers behave in the way they are behaving. So, the religion practiced by culture can give insight into its members' behaviour. A company must be aware of religious differences in its foreign markets.

And be prepared to make adaptations both in selling operations and in the product of themselves. So, it is not just required to adapt your product to a particular culture, by understanding religion you can also learn how to sell that product, how to approach to a particular customer coming from a different country what kind of you know religious practices he or she might be practicing that drives their interactions when meeting in a face-to-face meeting as well.

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The slide features a blue header with the title 'Cultural Factors in International Selling'. Below the title, the word 'Religion' is written in blue. Two bullet points are listed, with the second one containing a red underline. The footer includes a logo for 'Swajati' and the number '129'.

Cultural Factors in International Selling

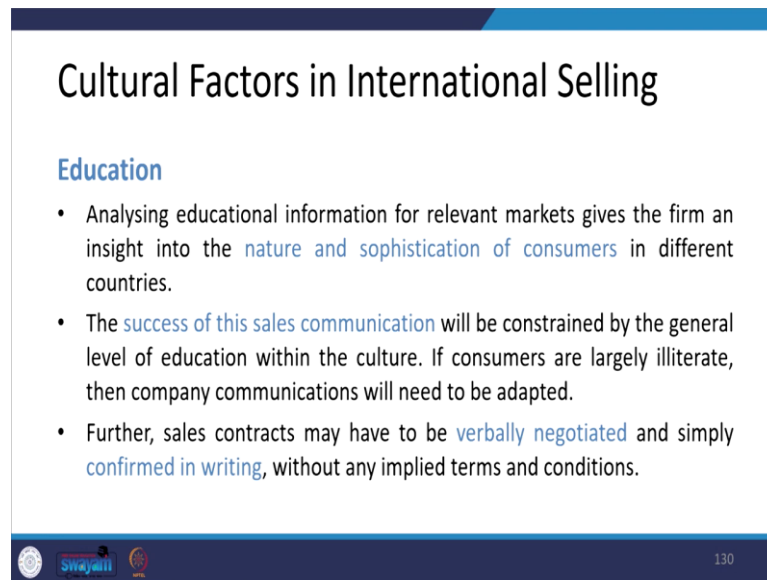
Religion

- Religious holidays/celebrations/obligations can affect the hours that are imposed on the salesperson. Times may need to be kept open for the salesperson to pray, and followers may not work during high religious seasons.
- Religion can also shape an individual's feelings about dealing with males and females in a business setting. In some countries, women are expected to be subservient in all ways to men, even to walk behind them. How can a potential male customer in this type of environment develop a long-term relationship with a female salesperson? These types of situations set up conflicts that can be extremely stressful for the individuals involved.

So, religious, holiday, celebrations, obligations can affect hours of operation that are imposed on the salesperson. So, times may need to be kept open for the salesperson to pray, and followers may not work during this religious seasons. So, religion can also shape an individual's feeling about dealing with males and females in the business setting. So, in some countries women are expected to be subservient in all ways to men, even to work behind them in those cases as well.

So, how can a potential male customer if this is the situation that you know if some in one of the culture let us say x country, if it is required that women should follow men then how can a potential male customer in this type of environment develop a long-term relationship with a female salesperson right? So, these type of situations set up conflicts that can be extremely stressful for that particular individual as well.

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Cultural Factors in International Selling

Education

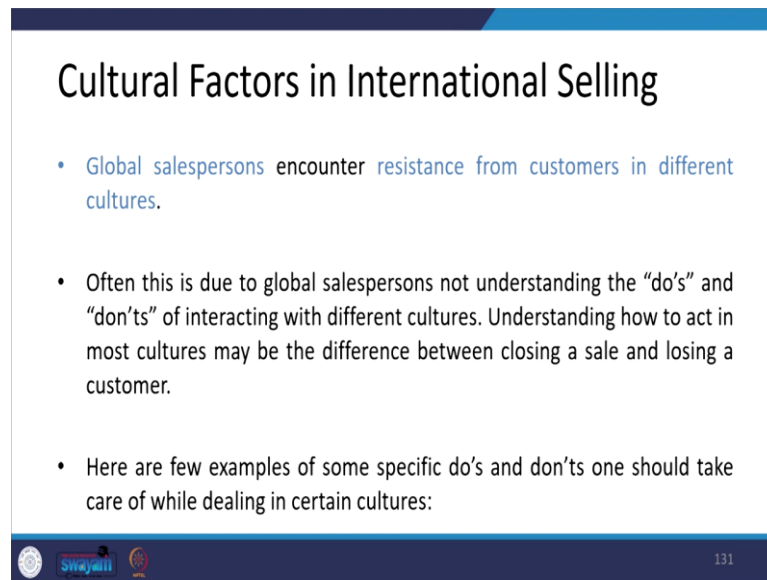
- Analysing educational information for relevant markets gives the firm an insight into the nature and sophistication of consumers in different countries.
- The success of this sales communication will be constrained by the general level of education within the culture. If consumers are largely illiterate, then company communications will need to be adapted.
- Further, sales contracts may have to be verbally negotiated and simply confirmed in writing, without any implied terms and conditions.

Swajati 130

Education, again, analysing educational information for relevant markets gives the firm an insight into the nature and sophistication of customers one can expect from that country. So, the success of this sales communication will be kind of you know constrained by the general level of education within the culture. If consumers are largely illiterate, then company communications will need to be adopted considering the education level of those customers.

So, further, sales contracts may have to be verbally negotiated and simply confirm in writing, without any implied long you know 10 page terms and conditions and all because of the education level of that particular customer coming from that particular country.

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Cultural Factors in International Selling

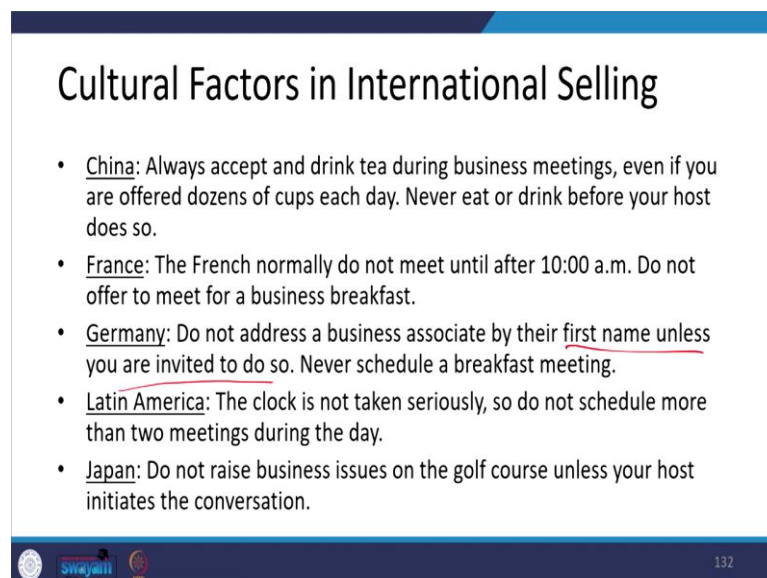
- Global salespersons encounter resistance from customers in different cultures.
- Often this is due to global salespersons not understanding the “do’s” and “don’ts” of interacting with different cultures. Understanding how to act in most cultures may be the difference between closing a sale and losing a customer.
- Here are few examples of some specific do’s and don’ts one should take care of while dealing in certain cultures:

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Global salespersons, now, how to use these cultural factors in international selling? We have global sales persons encountering resistance from customers in different cultures.

So, often this is due to global salespersons not understanding the ‘do’s’ and ‘don’ts’ that we just discussed before interacting with this cultural different cultures. So, understanding how to act in most cultures may be the difference between closing a sale and losing a customer. So, here are few examples of some specific ‘dos’ and ‘don’ts’ one should take care while dealing in certain cultures.

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Cultural Factors in International Selling

- China: Always accept and drink tea during business meetings, even if you are offered dozens of cups each day. Never eat or drink before your host does so.
- France: The French normally do not meet until after 10:00 a.m. Do not offer to meet for a business breakfast.
- Germany: Do not address a business associate by their first name unless you are invited to do so. Never schedule a breakfast meeting.
- Latin America: The clock is not taken seriously, so do not schedule more than two meetings during the day.
- Japan: Do not raise business issues on the golf course unless your host initiates the conversation.

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For China: Always accept and drink tea during business meetings, even if you are offered dozens of cups in each or a for a particular day. Never eat or drink before your host does so. So that is kind of you know etiquette or kind of you know cultural practice is there in China. Coming to France: The French normally do not meet until 10:00 a.m. So, do not offer to meet or do not schedule a meeting before a breakfast.

Germany: There do we one do not address a business associate by their first name unless you are invited to do so. So never schedule again a breakfast meeting when dealing with German clients. Coming to Latin America: The clock is not taken seriously here in this continent. So, do not schedule more than two meetings during the a; during the day; because you are not going to complete your already scheduled two meetings in a day.

So, they may take so much long, that you know entire day you might end up doing only one or two meetings as max. Coming to Japan: So, do not raise business issues on the golf course, unless you are kind of you know unless your host initiates the conversation. So, they strictly kind of you know segment that their time to give an activity. So, they do not want to discuss any business issues while kind of you know having their own time or playing golf's those kind of activities.

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Cultural Factors in International Selling

General cultural attitudes and values

- Spiritual value – West vs. East
- Time values – Latin America Vs West Vs. Spain
- Space – office size – West Vs East
- Distance – West Vs. Middle East and Latin America

The Chinese culture and sales negotiations:

- Guanxi networks, which are relationships or social connections based on mutual interests and benefits. *Guan* means a gate or a hurdle, and *xi* means a tie, relationship or connection. Therefore *guanxi* literally means 'pass the gate and get connected'.

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So, general cultural attitudes and values occurs again varies across cultures. So, for example, spiritual value if you talk about, West follows different kind of spiritual values as compared to East, right. Again, the time values: In Latin America, as I said they do

not follow the clock, but in West they are very particular about the timing. And, coming to Spain and European country, they will always have first preference for their family members.

And then, if there is something, they will handle that kind of you know they will attend those kind of family and friends first and they will give secondary kind of you know weightage or say kind of you know preference to their business meetings. Coming to kind of you know, the concept of space as well. So, in let us for example, office sizes in West bigger is better. So, the big office will indicate that you are having some power position and all.

But in East they do not care, even the CEO will sit on the floor and he will have a lunch or dinner with their team. So, distance again, West and Middle East and Latin America have this different kind of concept related to distance as well, right. So, the Chinese culture and sales negotiation is a particular case here I want to discuss. So, they follow something called as a Guanxi networks.

So, in China relationships are valued a much. So, they will take. So, much time to build a relationship to trust you as someone who is provider of products and services, but once you are in their network of trustworthy kind of you know people they always make it that the relationships last for very long time. So, they practice something which is called as a Guanxi networks which are relationships or social connections based on mutual interests and benefits.

So, here Guan means gate or hurdle and xi means tie or relationship or even a connection. So, therefore, Guanxi literally means 'pass the gate and get connected'. So, they will take so much time for you to kind of you know earn their trust, but once you gain that kind of a spot, it really makes a long-lasting relationships. So, that sums up this particular session, where we just looked at how a culture can help you excel or even fail in going internationally with your products and services.

Thank you.