

CULTURE AND NEGOTIATION

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CULTURE

Learning, participating, setting social trends and collective action for individuals in society to follow under social control rather than the control of the law.

ELEMENT OF CULTURE

1. Material

Ex House, Appliance

2. Language

- verbal language
- non verbal communication

3. Social interaction

- exchange between two or more individuals about family or work related matters

Ex open saving account for parent(bank promotion), tax deductible expenses

4. Religion

- Western religions emphasis the wills of God
- Eastern religions emphasis the analysis of facts and truths of nature
- Religions influence people's perspective and behaviors in society
- Defines the business concept

5. Education

- Create ideas and knowledge to the people in each society

6. Social Value

6.1 Monochromic - Systematically work

6.2 Polychromic - Leisurely work

HOFSTEDE' CULTURE DIMENSIONS

1. Power distance

- Inequality – power distributed unequally

- High power distance

Ex In Thailand, the young are to respect the elderly

- Low power distance

Ex In USA, there is low power distance between leaders and subordinates, thus subordinates has less respect for the leaders

2. Individualism

- People value individual more than society

Ex England, USA, Australia

- People value society more than individual

Ex Thailand, Japan

HOFSTEDE' CULTURE DIMENSIONS

(continued)

3. Masculinity

- Inequality of male and female status in society

- High masculinity

Ex Japanese society

- Femininity

Ex Sweden, French, Netherland

- Masculine

Ex society that people focus on jobs and achievements

- Feminine

Ex society that people focus on family

HOFSTEDE' CULTURE DIMENSIONS

(continued)

4. Uncertainty avoidance

- Needs for stability leads to uncertainty avoidance
- High uncertainty avoidance - less comfortable with uncertainty

Ex Japan, French, Mexico, Thailand

- Low uncertainty avoidance – more comfortable with uncertainty

Ex USA, England, Singapore, Hong Kong

5. Long-short term orientation

- Long term orientation – Brand loyalty

Ex Thailand, Japan, Hong Kong

- Short term orientation – personal steadiness concerns

Ex USA, England, Germany

ADAPTING TO FOREIGN CULTURE

1. Awareness and understanding that each country has a different culture

- Self-reference criterion(SRC)

Ex Western people are very punctual (on-time)

2. Gaining international experience

- Reading, talk to experience persons, keep up with current events

Ex To negotiate with American, you must be ready with information

3. Adapt and apply Hofstede's cultural dimensions theories

Ex Negotiation with masculinity , high uncertainty avoidance

4. Study the detail regarding the culture of the country

Ex Thailand culture, black color is bad.

5. Preparation

- Understanding yourself and others

NEGOTIATION FOR INTERNATIONAL MARKETING

1.Non-task soundings

- Step to go from meeting each other to doing business for mutual benefits together
- Long term orientation – high context
- Short term orientation – low context

2.Task-related information exchange

- Step into business negotiations by exchanging information between each negotiating party

3.Persuasion

- Step that offer products or business plan to a customer or partner
- 3.1 Credibility of the business and negotiators
- 3.2 Clarity of the products or business projects
- 3.3 The clarify of the benefits for each partners

4.Concession and agreement

- The final stage of negotiations, leading to an agreement and business contract signing

PLANNING FOR INTERNATIONAL MARKETING NEGOTIATION

- Have clear understanding about the yours and client's products
- Research and study other products or companies that may be in competition
- Study the basic information about the country of business
 - Geography, culture
- Study the limitation of the clients and bottom line

NEGOTIATION STRATEGY

- **Date and time of negotiation**
- **Negotiation method**
 - Ex Face to face, E-mail
- **Place of negotiation**
 - In county of the business
 - In country of the negotiating partner
 - In third country
- **Strategically choose the negotiator**
 - A senior role in the organization and with power to make decision
- **Choosing language to communicate the negotiation**
 - English is the international language
 - May use interpreter if necessary

Negotiation Strategy in Business Abroad

- Germany
 - Emphasis in clarity
- Italy
 - Should have good human relations
- France
 - First - consult
 - Later use personal wit
 - Final, full of tricks
- Spain
 - First- build relationship
 - Middle – time consuming
 - Final – hard to conclude
- England
 - First – be open, should use low context
 - Middle Step – Mysterious
 - Final – Complicate, complex
- Netherland
 - Has expertize to adapt to foreign cultures
- Scandinavian group
 - First – open, clear and somewhat sincere
 - Middle – no flexibility, too technical
 - Final – easy and quick to conclude