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INTERNATIONAL BUSINESS COMMUNICATION

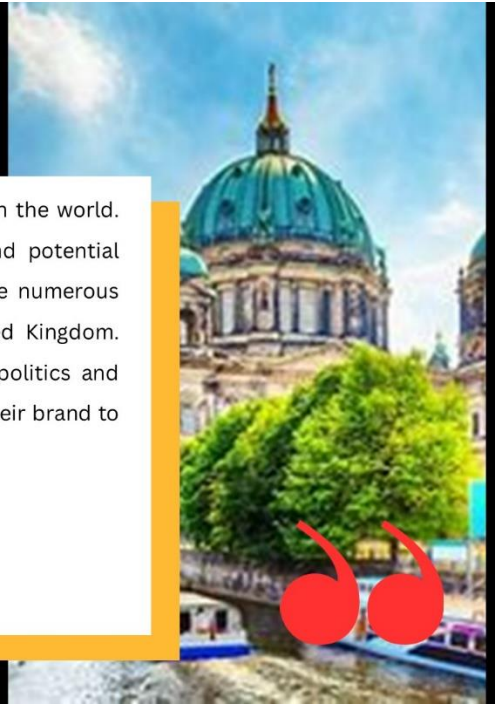
A BUSINESS PROPOSAL TO ESTABLISH 'HERON FOODS' BRANCH IN GERMANY

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INTRODUCTION

Global trade and business has always benefited most countries in the world. Global trade gives businesses access to vast demographics and potential consumer pools. The United Kingdom is no exception. There are numerous Multinational Corporations that have originated from the United Kingdom. Germany has a long history with the United Kingdom in both politics and trade. The retail chain Heron Foods has now decided to expand their brand to Germany.



During the fiscal year 2021 the top multinational companies are Shell, Bp and Tesco. The multinational companies rakes in about 300 billion USD (US Dollars) a year in revenue which contributes hugely to the country's GDP(Gross Domestic Product). The United Kingdom's Gdp in 2021 was 3,122.48B (Macrotrends, 2023). This made the United Kingdom the world's fifth largest economy. Many multinational corporations in the United Kingdom are interested in making connections worldwide to expand their brand reach. Particularly Europe gives these companies a demographic that is not so different from that of their base country. Also, low transportation cost plays a big factor here. Germany has a long history with the United Kingdom in both politics and trade. The retail chain Heron Foods has now decided to expand their brand to Germany. But success in this case will depend largely on the demographics of Germany and how their culture takes in the new brands and their product.

ABOUT GERMANY

- Germany, country of north-central Europe
- Population: 83 million
- 16 states
- Rich cultural heritage
- Education and social welfare hold significant importance



Germany, positioned in Central Europe, stands as a pivotal economic force with a rich cultural legacy and substantial global impact. Housing an approximate 83 million residents, Germany showcases diverse landscapes from serene countryside to bustling urban centers like Berlin, Munich, and Hamburg (Wikipedia Contributors, 2019).

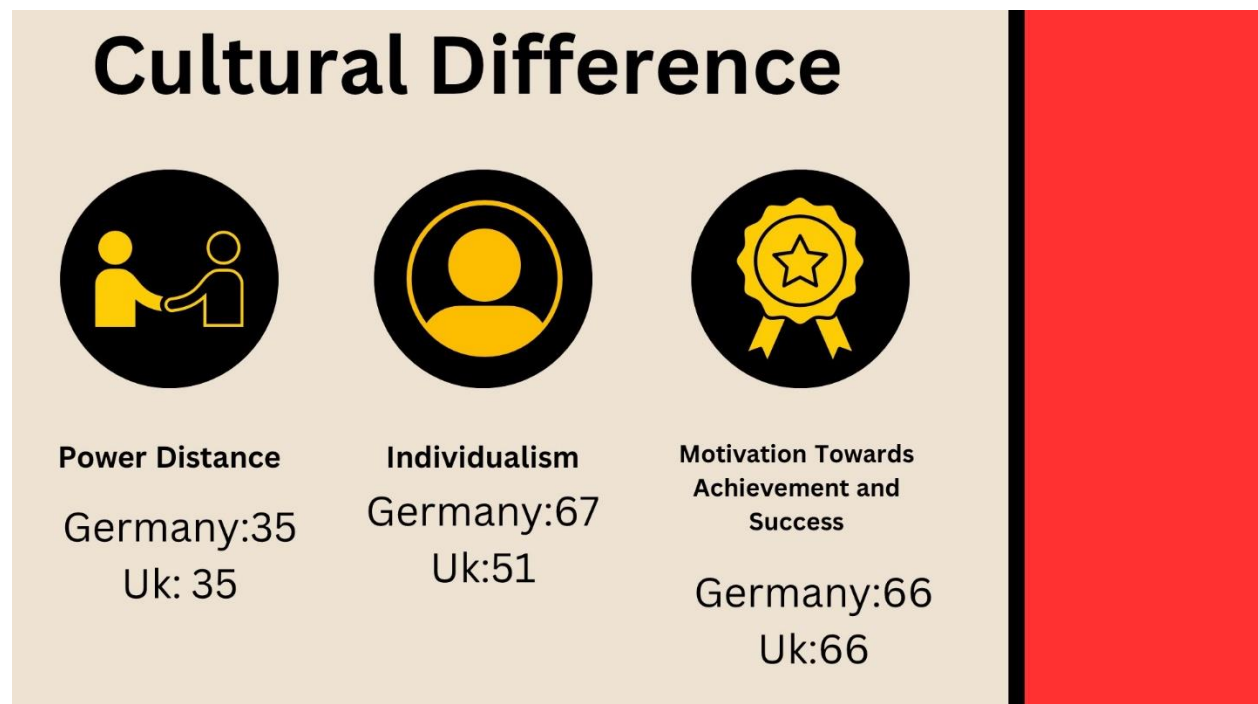
Throughout history, Germany's narrative weaves tales of unity, division, and eventual reunification. The late 19th century witnessed the consolidation of German states under Otto von Bismarck, resulting in the formation of the German Empire. Post-World War II, Germany's partition into East and West, symbolized by the Berlin Wall, culminated in its momentous fall in 1989, leading to reunification in 1990—a pivotal event in its contemporary history (Wikipedia Contributors, 2019).

Contemporary Germany operates as a federal parliamentary republic, composed of 16 states. It stands as a dominant player within the European Union, emphasizing economic strength, innovation, and technological advancements. Industries such as automotive manufacturing,

machinery, pharmaceuticals, and technology form the backbone of its robust economy, propelling its global influence (Buswell, 2022). Germany boasts a rich cultural heritage, with figures like Goethe, Kafka, and Beethoven leaving lasting imprints in literature, philosophy, and music. Celebrated traditions like Oktoberfest showcase the nation's vibrant cultural fabric, attracting millions of visitors annually.

Education and social welfare hold significant importance, with Germany ensuring comprehensive healthcare and robust social security measures for its populace.

Economically, Germany ranks among the world's leading nations. It has fostered strong global trade partnerships, fostering an expansive marketplace. With a diverse economic landscape, Germany actively engages in international trade, importing machinery, chemicals, fuels while exporting electrical and electronic machinery, clothing, among other commodities. Despite the challenges presented by the COVID-19 pandemic, Germany, like other nations, is striving for economic recovery and stability on the global economic front (deutschland, 2021).



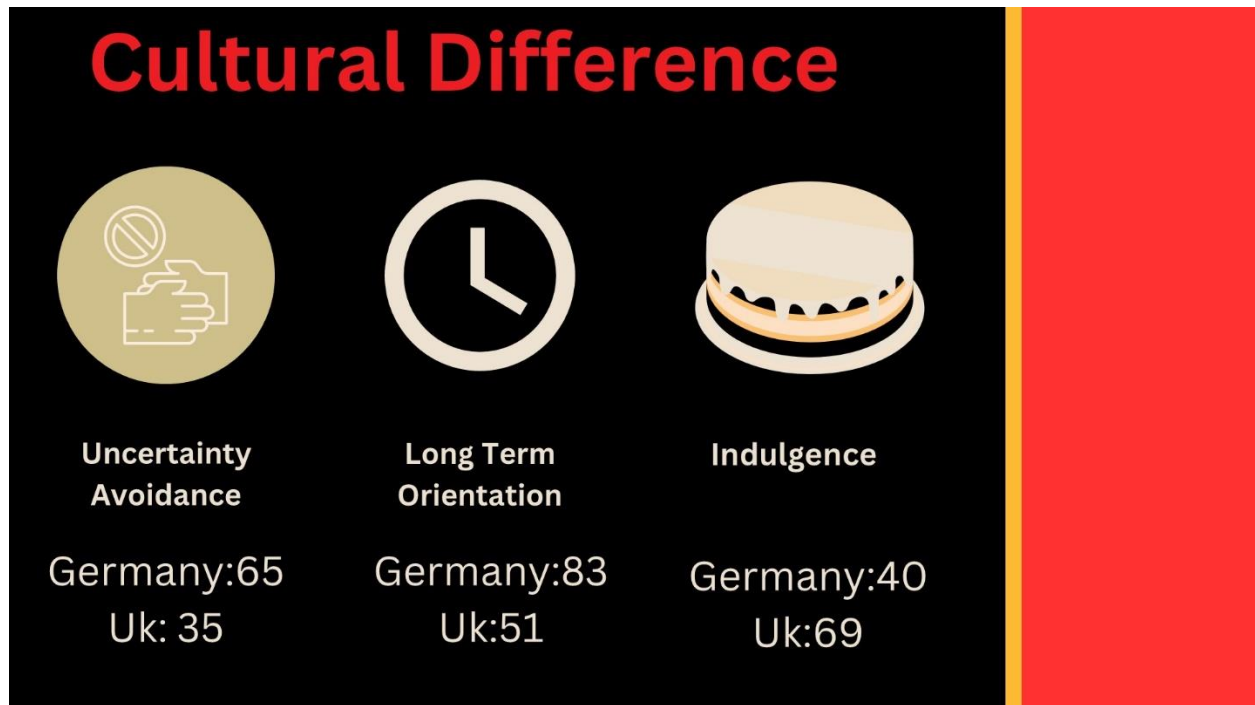
Hofstede's cultural dimension theory is a tool to measure the differences of different cultures between two countries. There are six pillars upon which a culture of a country can differ from another (Hofstede Insights, 2023). Here are the pillars upon which Germany and The United Kingdom differs,

Power Distance: The Dimension mainly dialects Germany and the UK in terms of the cultural dimension which is also known as Power Distance. It highlights that Germany holds a lower score of 35 compared to the UK's similar score, suggesting that Germans tend to value equality and participation in decision-making more than British individuals. This difference implies that in German society, there's a preference for more inclusive and participative approaches to power distribution, whereas the UK might exhibit a greater acceptance of hierarchical structures and formal rules. The contrast in Power Distance scores reflects differing societal attitudes towards unequal power distribution and hierarchical systems between the two nations.

Individualism: Individualism, a cultural metric assessing societal interdependence, reveals that Germany exhibits a higher score of 67, while the UK has a lower score of 51. This suggests that Germans tend toward greater independence and individualistic tendencies, prioritizing personal autonomy and goals. In contrast, the UK leans more towards collectivism, emphasizing mutual support and interconnectedness among its members. These scores reflect distinct cultural values, showcasing Germany's preference for individualism and the UK's inclination towards collectivism, shaping societal norms and interpersonal dynamics within each culture.

Motivation Towards Achievement and Success:

The dimension of Motivation towards Achievement and Success measures a society's value placed on achievement, success, and competitive spirit. Germany, scoring 66, shows a higher inclination towards valuing performance and concrete outcomes, indicating a drive for success and excellence among Germans. On the other hand, the UK also scores 66 but reflects a lower emphasis compared to Germany. British individuals tend to prioritize aspects like quality of life and work-life balance. This suggests that in the UK, there's a greater focus on maintaining a harmonious equilibrium between personal life and professional accomplishments, valuing well-being alongside their pursuit of success. These cultural distinctions underscore diverse motivations within each society, influencing attitudes towards achievement and preferences in work-life dynamics.



Uncertainty Avoidance:

Uncertainty Avoidance measures a society's response to ambiguous situations. Germany, with a score of 65, exhibits a higher level of caution and aversion to risk, whereas the UK, scoring 35, indicates a greater tolerance for ambiguity and flexibility. This suggests that Germans tend to feel more threatened by uncertainty, preferring structured environments, while British society is more open to navigating uncertainties and adapting to change. These cultural inclinations shape differing attitudes towards uncertainty, with Germany favoring caution and structure, while the UK leans towards adaptability and tolerance for ambiguity

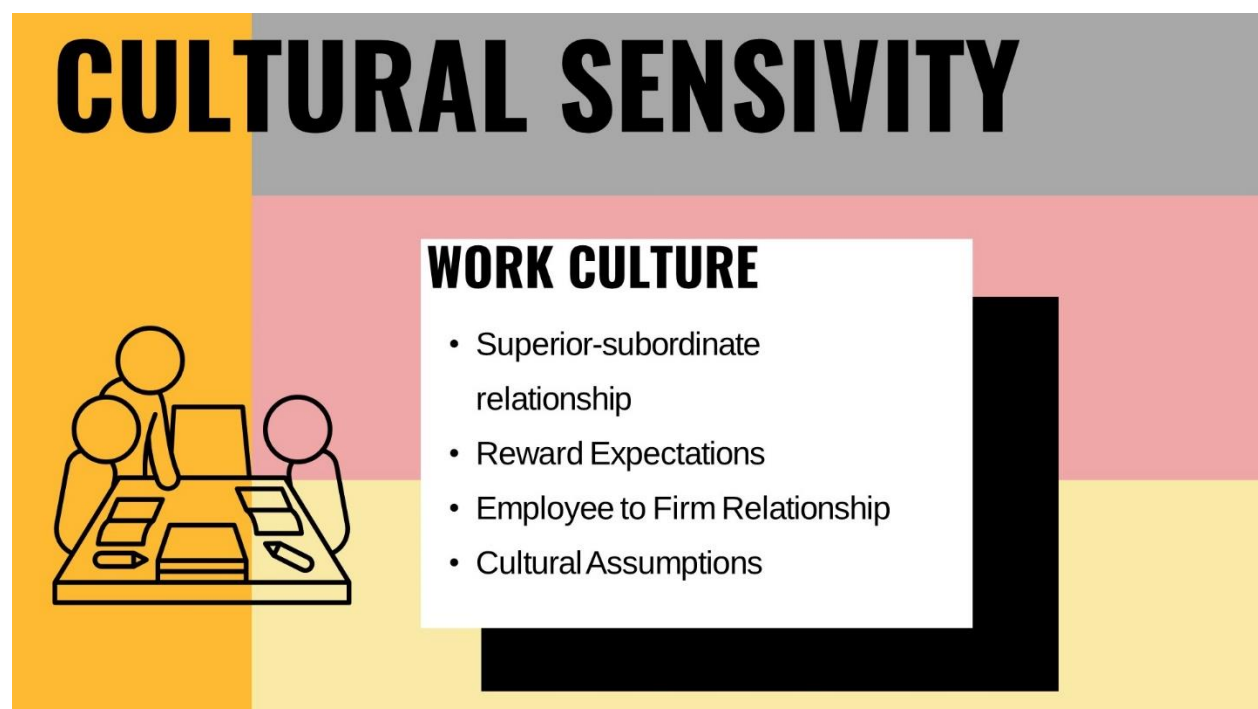
Long Term Orientation:

It measures a society's preference for a pragmatic, forward-looking stance versus a historically short-term viewpoint. Germany, scoring 83 on the other hand the UK's 51, reveals a stronger inclination toward tradition and stability within German culture. This shows a preference for established customs, prioritizing stability even if it inhibits potential innovation. Conversely, the UK's lower score implies a greater openness to innovation and change, showcasing a society

more inclined toward forward-thinking strategies and adjustment rather than adhering strictly to traditional values.

Indulgence:

Indulgence, a dimension gauging a society's tolerance for fulfilling human desires and embracing life's enjoyment, exhibits distinctions between Germany and the UK. Germany, scoring 40 compared to the UK's 69, portrays a culture inclined towards restraint and discipline among Germans. This suggests a societal preference for self-control over immediate gratification. In contrast, the higher UK score implies a culture favoring indulgence and spontaneity, prioritizing immediate pleasure and adopting a more relaxed approach towards life's pleasures. These differences illustrate contrasting attitudes towards the gratification of natural desires and the pursuit of enjoyment between the two societies.



Collaboration of different countries to build a global multinational brand is needed to expand influence of the brand. That being said, Opening offices and branches in collaborating countries depends largely on the cultural norms of the country the branch office would be set in.

The corporate culture in Germany is described by a study done by (Apfelthaler, Muller and Rehder, 2002). Which as follows,

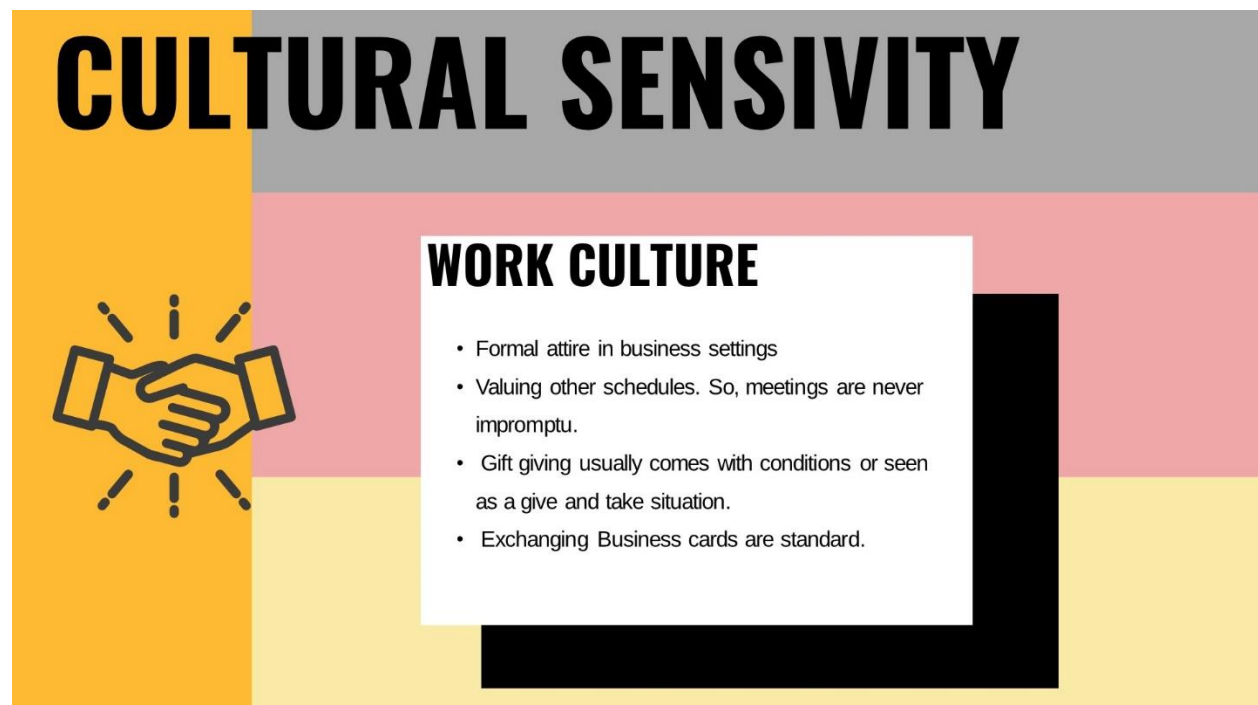
Superior-subordinate relationship: Formal relationship with superiors giving exact and specific instructions to subordinates. Compliance instead of consensus is expected on both ends.

Reward Expectations: both short and long term rewards based on performance of work and work hours.

Employee to Firm Relationship: this relationship is mostly based on law and union strength. Works mostly related to the quality of the product rather than the company.

(this could be an issue as this mentality differs largely from the UK, where brand loyalty is given priority)

Cultural Assumptions: Individualism is valued over collectivism. Formal credentials are highly valued.



CULTURAL SENSIVITY

WORK CULTURE

- Formal attire in business settings
- Valuing other schedules. So, meetings are never impromptu.
- Gift giving usually comes with conditions or seen as a give and take situation.
- Exchanging Business cards are standard.

The infographic features a background with a yellow vertical bar on the left, a grey horizontal bar at the top, and a pink horizontal bar below it. A black L-shaped graphic is positioned on the right. An icon of two hands shaking with radiating lines is located on the yellow bar. The 'WORK CULTURE' section is enclosed in a white box with a black border.

Other work cultures include,

1. Formal attire in business settings
2. Valuing others schedules. So, meetings are never impromptu.
3. Gift giving usually comes with conditions or seen as a give and take situation.
4. Exchanging Business cards are standard.



Intercultural business such as the one Heron Foods is attempting to make with Germany depends on the mutually understandable language (Adanlawo, Eyitayo Francis, Reddy and Rugbeer, 2021). So, language can be an issue in this case.

The official language of Germany is 'German' with 95% native speakers. 67% of Germans can speak a foreign language but English speakers are 56% of the total population (Bundesamt , 2023).

As the United Kingdom is a predominantly English speaking country, German speakers should be hired to collaborate with German representatives as well as tailoring the products to match native German speakers' expectations. Again in business settings Germans expect the meetings to be held in German and regarding products like food, Localized knowledge is preferred. Language is the first barrier for a good relationship with foreign clients. But after that comes the barriers of cultural norms, etiquette and values. As both Germany and the United Kingdom are European countries this barriers might not be so big but they are barriers nonetheless.

GERMAN FOOD CULTURE

The German diet focuses mainly on meat and bread. With high quality meat being prioritized.

1. 
2. 
3. 

The research by Gollnhofer, Johanna Franziska; Bhatnagar, Kushagra (2021) has described in detail about the German Food Market (Gollnhofer and Bhatnagar, 2021).

The German diet focuses mainly on meat and bread. With high quality meat being prioritized. potatoes, pheasant and soups are also a big part of the food culture. various desserts like, puddings and gelatine and nuts are also favorable. finally, beer has a soft spot for every German as their favorite beverage.

ADAPTATION OF HERON FOODS

1

PRODUCE
FOODS THAT
ARE MORE
LOCALLY
ACCEPTABLE
FOR THE
GERMAN
PALETTE

2

MODIFY
EXISTING
BRITISH BASED
FOODS FOR
GERMAN
POPULATION
CONSUMPTION



Heron Foods is a grocery chain and frozen food producer. They have about 12000 product lines that range from frozen savory foods to desserts. To appeal to the German population, they can follow two routes-

1. Produce foods that are more locally acceptable for the German palette
2. Modify existing British based foods for German population consumption, i.e. Changing the packaging adding German appealing ingredients.

The German food palette does not differ much than that of the English while comparing to the whole world as both countries are situated in Europe. But there are still some core differences. By bridging this gap Heron Foods can develop new products and successfully launch their brand in Germany.



As communication will be a big issue in this business deal here are some recommendations that can help,

Use of technology: social media and emails are a good way to bridge language gaps. In this case using certified translation software can help.

Firmness and transparency: German people are regarded as very much direct and firm. So transparency in every dealings are valued.

Personal Space: Germans value their personal space. So, unnecessary and personal questions should be avoided.

Physical Contact: handshakes are welcomed but other than that physical contact should be avoided.

German speakers and translators: For face to face dealings, German speakers or translators should be present as Germans are most comfortable in their own native language.

Punctuality: Germans keep punctuality in high regard. Last moment changes and lateness should be avoided.

CONCLUSION

In short, Germany is a good choice for collaborating with a British company like Heron Foods. Germany and the United Kingdom are both countries of the European subcontinent. Though their languages and diet vary, many of their lifestyle choices are similar. The United Kingdom and Germany also both have similar racial demographics.



This similarities also helps the Heron Foods as they will mainly cater to people with similar food tastes. Then again, the economy of the countries is different. Germany will open up new opportunities for the brand to build their brand recognition and diversify their product line up. As they will need to manufacture new products for the German population, the home country can also diversify their products by including the German made products. Considering the above-mentioned aspects, a multinational company from the United Kingdom can easily open up a branch in Germany. While doing that, it is advised that Heron Food should focus on the differences identified in this presentation. Particularly, it is recommended that, the operation of the company must adapt German language as its key language because Germans are not very fond of speaking English. If Heron Foods overcome this language barriers, it is optimized that the company will grow drastically in Germany.

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THANK YOU!