



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Assignment Title: Intercultural Communication and Culture in
Module: International Business Communication (BMBM6021)

Student Name: Heidy Edi (2210363)

Executive Summary

The main purpose of this report is to discuss how to facilitate successful international business communications but still maintain healthy boundaries to the different customs and cultures especially in retail business. In this report, a few important steps on how to achieve a successful international business communications such as; how important it is to have the required skill on how to build a professional relationship with the company's partner. Apart from having the required skill, this report will also discuss about what is international business communication, methods of communication, effective communication, the importance of relationship buildings, why relationship in business might fail, what culture is and the components of it, Hall's high low context, Trompenaars 7 dimensions to culture and how to build the trust between the company and their partner.

In business, especially when you are trying to expand your market, researching about the culture is important, this can help you tackle the barrier. Like in (*Cultural differences in business and International Affairs* 2022), it was said that, "Prior to developing a commercial partnership, knowing the distinguishing aspects of a specific culture is an important component of overcoming cultural divides in commerce. A country's communication style, clothing code, etiquette, organisational structure, time concept, and other aspects are examples of these elements."

This report will also talk about how ZARA will be able to expand their market in Asia by putting the key points above into practice.

1.0 Introduction

The main purpose of this report is to discuss how to facilitate successful international business communications but still maintain healthy boundaries to the different customs and cultures especially in retail business. In this report, a few important steps on how to achieve a successful international business communications such as; how important it is to have the required skill on how to build a professional relationship with the company's partner. Apart from having the required skill, this report will also discuss about what is international business communication, methods of communication, effective communication, the importance of relationship buildings, why relationship in business might fail, what culture is and the components of it, Hall's high low context, Trompenaars 7 dimensions to culture and how to build the trust between the company and their partner.

ZARA is one of the world's most well-known fashion companies. Inditex, one of the world's largest distribution firms, owns it. They are a globally recognised premium clothes company. ZARA is a men's and women's clothing retailer that also serves youngsters. There are jeans, trousers, tops, skirts, knitwear, T-shirts, shoes, bags, and accessories to choose from. The demand of the target market determines the availability of a product line. ZARA also works with local designers to bring you the most recent fashion trends ("Company-+ Info | ZARA United Arab Emirates", 2021).

2.0 Main Findings

2.1 International Business Communication

As globalisation gains traction in communication among the business world from different countries, therefore it is important for companies to understand the countries' customs, culture barrier, language and their cognitive obstacles to avoid any conflict and misunderstanding between parent country and host country (Carte & Fox, 2004).

International business communication is more than just exchanging information regarding business, it is also building relationships with the said partner company. When done right, this can help you attract new customers, and handle the challenges that may come, although international business communication is similar to business communication, they can be a bit tricky because it is done internationally. In order to have successful international business communication, companies ought to understand the cultural differences, language barriers and also different business practices without understanding this point, which can cause big misunderstanding (*The Complete Guide to International Business Communication* 2022).

Since ZARA is one of the most successful retail companies, their first international stores opened was in Portugal in 1998 and since then they have opened over 800 stores all over the world, and around 30 stores were opened in Asia. Learning how to properly communicate with local authorities might be beneficial (Zara.com, 2021).

2.2 Skills Requirements

In today's globalised era, a company must be able to conduct business impeccably without appropriating another country's culture. Respecting one's culture is important in order for your business to have a good reputation because if you make a mistake by offending another country's culture it could lead to your company losing the partnership and even trust from that specific country. Before you are sending someone to another country, you must train them whether it is language or even cross-cultural training to get a better understanding of their customs, same goes with opening a business in another country.

Today's worldwide business environment needs an entirely different set of talents than even a decade ago. Analysis and accountancy are not "hard skills" necessary to handle this new, multinational company market. Despite the fact that solid technical knowledge is still required in international companies, "soft skills" might imply the difference between survival and actual success. In an article by Reynolds (2020), having cross-cultural communication skills is important. Any business that contributes to international business means you are working in a more diverse work environment with people from many cultural backgrounds. Understanding how to get the communication across despite the barriers is an important skill. Knowing how people from different backgrounds work in the workplace and how they interpret that is also important to avoid any misunderstanding. In another article by Zeid (2022) having adaptive thinking and good interpersonal influence.

Due to the fast changing environment, having adaptive thinking is very important, because when you are put in a difficult situation you can think outside the box that makes them more suitable for international business. A good interpersonal skill, will help you when you are reaching out to companies and engaging with them, especially when you are seeking negotiation to close a deal, people are more inclined to embrace your ideas since they realise the worth of your approach because you have mastered interpersonal influence (Zeid, 2022). This skill is required when ZARA is trying to approach the international market, in this case Asia.

2.3 Methods of Communications

Hall's High Low Context is a method of communication that is used largely in a business especially in an international environment. In a country where a high context is utilised it could be hard for someone to adapt.

2.3.1 Hall's High Low Context

Hall argued in 1976 that there are two sorts of culture: high context cultures and low context cultures. The goal of showing disparities in verbal and nonverbal communication between high and low context cultures is to draw attention to these discrepancies. Cultures that use high context will utilise communication that uses the underlying context, meaning, and tone of the message rather than merely its words. Some countries that use high context are Japan, Brazil, Spain, China and many other Asian countries. Low-context cultures want messages to be conveyed simply to minimise confusion, and if a message is not clear, communication will be limited. In the worst-case scenario, leaving any space for interpretation can be devastating. The UK, Australia and the US are the few countries that use low context culture within their organisation (*Communicating in high context vs. low context cultures* 2022). Therefore, ZARA needs to consider these facts into an account before they try and expand their branch to any Asian countries and to be aware that most countries in Asia use high context culture.

2.4 Effective Communication

There are many communication barriers that companies face when they are trying to expand to another country whose main language is not English. Learning languages is one of the important facts that contributes to having effective communication and to avoiding any barriers. Even when you are speaking the same languages, many regions has their own dialects and slangs, therefore learning what might be offensive to the other region would be beneficial because this may cause misunderstanding when it is received poorly (Poole, 2017).

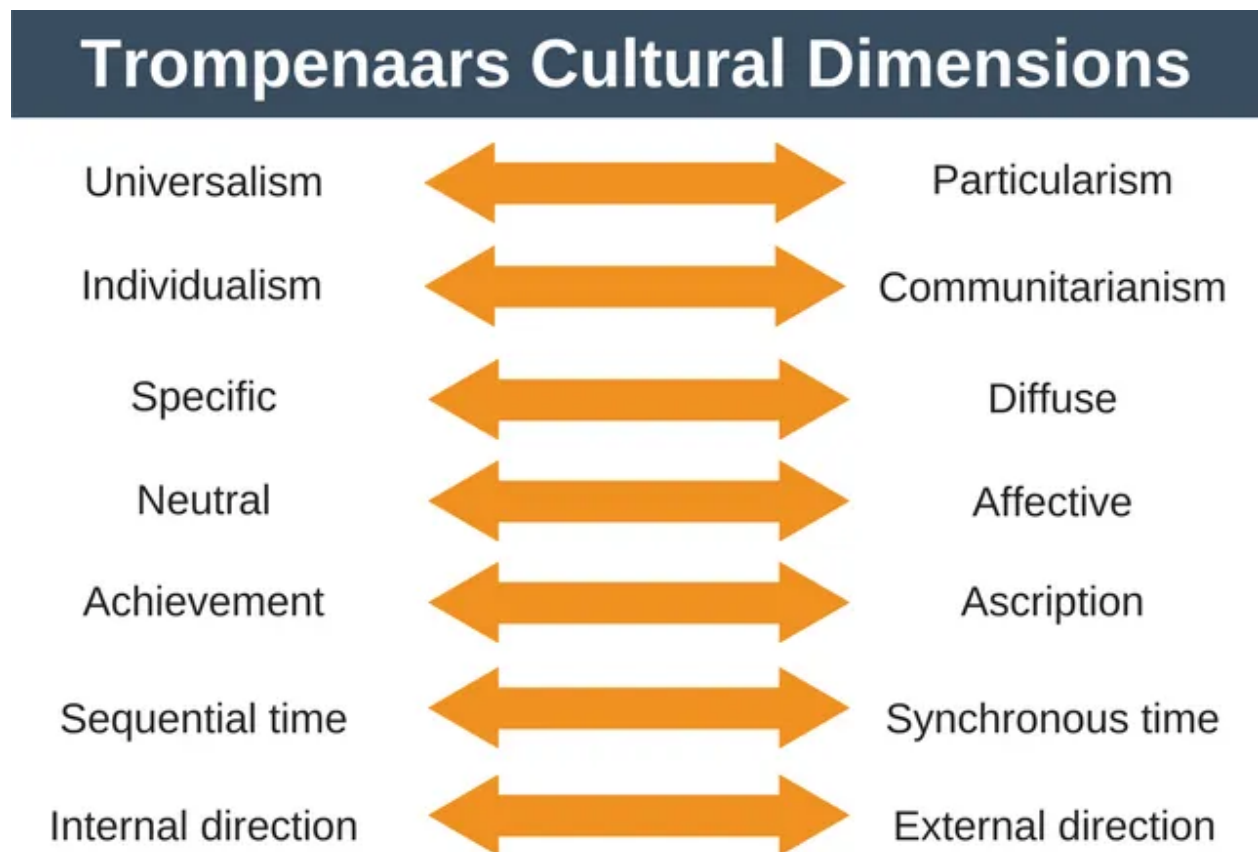
Effective communication may come from body language, face expression, and maintaining eye contact, and making sure that the message companies are trying to convey is understandable. Stephens (2017), stated that being aware of the cultural differences between each other is important, as well as using a clear and concise language when speaking to someone from another country. Avoid any slangs and idioms as well as being aware of your body language. Therefore, in order for ZARA to have a higher chance conducting their business in Asia, they need to have more effective communication.

2.5 International Culture

International culture usually refers to one's characteristics that came from migration and globalisation. In business, normally it refers to an organisation's values, beliefs, behaviours and how they communicate essentially on how their work relationship goes.

2.5.1 Trompenaars 7 Dimensions to Culture

Trompenaars culture dimension model, also known as the 7 dimensions of culture. The Trompenaars 7 Dimensions to Culture is differentiated by 7 dimensions; “*universalism vs. particularism, individualism vs. communitarianism, specific vs. diffuse, neutral vs. affective, achievement vs. ascription, sequential time vs. synchronous time, and internal direction vs. external direction*” (Trompenaars cultural dimensions – the 7 dimensions of Culture 2021).



source: expertprogrammanagement.com (2021)

Based on the article by Rheenen (2020), some of the national cultures recognised by Trompenaars and Hampden-Turner as showing preference at each dimension have been presented. This article also stated that these cultural dimensions should not be taken into account since in a larger international scale, people come from different cultures and are influenced by that culture.

Cultural differences influence intercultural communication, and recognising the value is critical for anybody who is working in an international business. In Asia, most companies define their value by determining their action and performances, they define someone's worth by things they have accomplished. People tend to adequately recognise, evaluate, and reward the achievement by using titles but only when it's necessary. Whereas in western culture, most people or organisations acknowledge your worth by who you are, since you are valued by your titles in order to assert a formal authority. Therefore, an Asian country is more achievement based than it is ascription (Ylikortes, 2020).

So, in order for ZARA to work in Asian country, they need to be able to understand the market within the partnering country to avoid any misunderstanding, and implementing, or finding company that has the same dimensional culture as Western country, even as far as compromising to find a middle ground during the negotiation process.

2.6 Importance of Building Relationships

Maintaining a healthy relationship with your co-workers is important, especially when you are working with an international partner, because having a healthy relationship can lead to a better work environment within the company. In the study from (*Importance of Relationship Building* 2020), “Healthy relationships lead to people from diverse backgrounds and varied expertise coming together on a common platform, exchanging ideas and reaching the best possible solutions and strategies.” Apart from building relationships within your work environment, it is also important to build a good relationship with future partners and customers. Communication plays a big part in building relationships. When working with a potential partnering country or company or even customer, it is important to know what their goals and desired outcome are during the negotiation process so that if your company and their goals align it would be much easier to continue the partnership and avoid any misinformation and miscommunication (Lewis, 2022).

In the era of globalisation, having a good brand image can also improve your relationship with a partnering company, because through social media uses micro-targeting to attract customer, from this you can understand the local market for future company, in this case ZARA in Asia (*How social media can strengthen brand image* 2015).

2.7 How to Build Trust

Trust is a crucial component when you are trying to expand your business to a larger scale especially internationally. Maas (2017) stated that due to the cultural difference, companies need more time to build the relationship, researching about the local history, custom, and the local market as well as researching the trend when it comes to their customer behaviour. Transparency is also a crucial part, one of which is having a clear website or even social media that give options to multiple languages so it can be understood among all cultures. Demonstrate that you run a company that is constantly adding and changing items. You should demonstrate that you are expanding into new markets and obtaining new quality certifications, that your workforce is expanding and that you have recently received buyer or business honours. Partners are searching for these indicators since they are an important indicator of your company's reputation (Maas, 2017). Taking accountability for mistakes also is another part of building trust, most companies that did a little to none research about the local market, in this case ZARA in Asia, sometimes could appropriate their culture and could potentially ruin a company's image. Thus, being accountable, and learning past mistakes from others could potentially build a stronger trust within the premise of doing it better in the future (Maas, 2017).

2.8 Failed Relationships

Many companies become successful in another country is by how well they are perceived by the local market, especially culturally. This is one of the reasons why AirBnB failed in China. Although now, they have done a great job on localising and adapting to China's custom, it was not always like that in the beginning.

One of the reasons is the cultural differences, a lot of Chinese were wary of the idea of 'homestays' essentially leading them into sharing their home with strangers. Airbnb's first obstacle was to gain the local's trust and destroy the language barrier. A lot of countries in Asia take pride in speaking their language, especially China. If you go to China, most companies or stores, their employees do not speak good English unless you go to a bigger franchise (Read, 2022). This cultural issue of trust is further influenced by the fact that many of the properties utilised for homestays in China are investment properties, thus the trust issue has consequences in many other areas as well. For example, if you stay at an Airbnb in Europe, you usually take out the trash and clean up after yourself in the kitchen, but Chinese visitors are not accustomed to such behaviour (Read, 2022).

3.0 Conclusion

To conclude the points above, international business communication plays a big part for companies that want to expand their market to any country. Having great skills is also crucial for the growth of your company, especially communication skills that might help to understand the barrier companies face. Hall's high low context is also another important fact to better understand methods of approaching the country they are trying to partner up with. This is important because a company that uses a high context approach will not be understood by a company that uses low context culture. Trompenaars 7 cultural dimensions are needed because as businesses are trying to expand internationally, they will be faced with many different cultures.

Building and maintaining a good relationship is important for any business that is trying to expand their market internationally. This helps them to understand one's culture and ways of thinking to avoid any misunderstanding. Trust is the foundation for any strong relationship, if it does not come with trust one, essentially it will not be good in the long run and it will fail. Failed relationships have happened before due to the lack of understanding and researching of country market situations, like Airbnb for example. The company failed to understand that Europeans and Chinese have a different culture regarding staying in a stranger's home.

4.0 Recommendations

If ZARA wants to successfully expand their market in Asia, they need to research and learn about that particular market and the culture. These enable ZARA to adapt and even compromise to have successful negotiations. ZARA also needs to have clear goals, and a better understanding of the Asian country they are targeting to avoid any misunderstanding. If somehow there are any misunderstandings, ZARA needs to take accountability to prove that they are learning and re-evaluate their strategies in the expansion. Once they have found the mistake, ZARA needs to focus on getting better and put their priority straight in order to avoid the same mistake happening twice and even appropriating the culture. By doing so, it will help ZARA to have a better future outlook if they continue to expand their market in Asian countries.

5.0 References

1. “How social media can strengthen brand image” (2015) *www.onsightapp.com*. Available at: <https://www.onsightapp.com/blog/social-media-can-strengthen-brand-image>.
2. Bridgehead (2022) *Importance of building relationships in international expansion*, Bridgehead. Available at: <https://bridgeheadagency.com/importance-of-building-relationships-in-international-expansion/> (Accessed: December 23, 2022).
3. Carte, P. and Fox, C. (2004) “Bridging the culture gap: A practical guide to international business communication,” *Choice Reviews Online*, 42(04). Available at: <https://doi.org/10.5860/choice.42-2301>.
4. *Communicating in high context vs. low context cultures* (2022) United Language Group. Available at: <https://www.unitedlanguagegroup.com/blog/communicating-high-context-vs-low-context-cultures> (Accessed: December 23, 2022).
5. *Cultural differences in business and International Affairs* (2022) Ohio University. Available at: <https://onlinemasters.ohio.edu/blog/cultural-differences-in-business/#:~:text=An%20essential%20part%20of%20bridging,of%20time%2C%20and%20other%20factors>. (Accessed: December 23, 2022).
6. *Culture mindmap - mind map* (2020) Mindomo. Available at: <https://www.mindomo.com/mindmap/culture-mindmap-e5ed72b7c6394935925e08bdcbe18403#:~:text=UAE%20is%20polychronic%20they%20like,one%20thing%20at%20a%20time>.
7. *Importance of Relationship Building* (2020) *Importance of relationship building*. Available at: <https://www.managementstudyguide.com/relationship-building-importance.htm> (Accessed: December 23, 2022).
8. Leilani van Rheenen (2020). Seven Dimensions of Culture. [online] Trainers Library. Available at: <https://www.trainerslibrary.org/seven-dimensions-of-culture/>

9. Lewis, L. (2022) *5 relationship building strategies you should follow*, HoneyBook. Available at: <https://www.honeybook.com/risingtide/5-relationship-building-strategies> (Accessed: December 23, 2022).
10. Lopez, C. and Fan, Y. (2009) "Internationalisation of the Spanish fashion brand Zara," *Journal of Fashion Marketing and Management: An International Journal*, 13(2), pp. 279–296. Available at: <https://doi.org/10.1108/13612020910957770>.
11. Lzguevara (2014) *Cultural metrics: The United Kingdom, Global Public Relations*. Available at: <https://globalreputationmanagement.wordpress.com/2014/03/05/cultural-metrics-the-united-kingdom/> (Accessed: December 23, 2022).
12. Maas, N. (2017) *Forglobal. How to build trust in international business relationships* Available at: <https://forglobal.com/academy/articles/how-to-build-trust-in-international-business-relationships> (Accessed: December 23, 2022).
13. Penn, S. (2019) *Cultural communication barriers in the workplace*, Small Business - Chron.com. Chron.com. Available at: <https://smallbusiness.chron.com/cultural-communication-barriers-workplace-13888.html> (Accessed: December 23, 2022).
14. Poole, H. (2017) *How to always be listened to and understood*, Lifehack. Available at: <https://www.lifehack.org/574471/how-barriers-to-communication-intensify-misunderstanding> (Accessed: December 23, 2022).
15. Read, K. (2022) *3 international business failures in the form of international case studies*, Kathryn Read. Kathryn. Available at: <https://kathrynread.com/3-international-business-failures-in-the-form-of-international-case-studies/> (Accessed: December 23, 2022).
16. Reynolds, K. (2020) *The top 7 skills needed for success in International Business*, Hult International Business School. Available at: <https://www.hult.edu/blog/skills-needed-in-international-business/#:~:text=Cross%20cultural%20communication%20skills,Interpersonal%20influence> (Accessed: December 23, 2022).

17. Richards, L. (2019) *Main barriers to communication, Small Business - Chron.com*.
Chron.com. Available at:
<https://smallbusiness.chron.com/main-barriers-communication-3051.html> (Accessed:
December 23, 2022).
18. *South Korea media: Communicating in a high-context culture in 2021* (2021) *Asia*.
Available at:
<https://en.prnasia.com/blog/2021/05/south-korea-media-what-pr-pros-need-to-know-in-2021/> (Accessed: December 23, 2022).
19. Taras, V. (2015) "Trompenaars' and Hampden-Turner's cultural factors: Universalism-particularism," *Wiley Encyclopedia of Management*, pp. 1–3. Available at:
<https://doi.org/10.1002/9781118785317.weom060206>.
20. *The Complete Guide to International Business Communication* (2022) *SIMON & SIMON*.
Available at:
<https://www.simonandsimon.co.uk/blog/the-complete-guide-to-international-business-communication>.
21. *The role of culture in international business: Multiplier* (2020) *Multiplier*. Available at:
<https://www.usemultiplier.com/blog/culture-in-international-business>.
22. *Trompenaars cultural dimensions – the 7 dimensions of Culture* (2021) *Expert Program Management*. Available at:
<https://expertprogrammanagement.com/2017/10/trompenaars-cultural-dimensions/>
(Accessed: December 23, 2022).
23. Trompenaars, F. and Hampden-Turner, C. (1997) *Riding the Waves of Culture*. London: Nicholas Brealey
24. Ylikortes, M. (2020) *Cultural and communicational challenges when working in South Korea: Finnish employees' perspective and thematic analysis* [Preprint].
25. Zara.com (2021) *Zara, ZARA Official Website*. Available at:
<https://www.zara.com/ae/en/z-company-corp1391.html>.
26. Zied (2022) *The 7 most needed skills for success in International Business, Pentabell*.
Available at:
<https://www.pentabell.com/blog/the-7-most-needed-skills-for-success-in-international-business/> (Accessed: December 23, 2022).

27. *South Korea media: Communicating in a high-context culture in 2021* (2021) *Asia*. Available at: <https://en.prnasia.com/blog/2021/05/south-korea-media-what-pr-pros-need-to-know-in-2021/> (Accessed: December 23, 2022).
28. Taras, V. (2015) "Trompenaars' and Hampden-Turner's cultural factors: Universalism-particularism," *Wiley Encyclopedia of Management*, pp. 1–3. Available at: <https://doi.org/10.1002/9781118785317.weom060206>.
29. *The Complete Guide to International Business Communication* (2022) *SIMON & SIMON*. Available at: <https://www.simonandsimon.co.uk/blog/the-complete-guide-to-international-business-communication>.
30. *The role of culture in international business: Multiplier* (2020) *Multiplier*. Available at: <https://www.usemultiplier.com/blog/culture-in-international-business>.
31. *Trompenaars cultural dimensions – the 7 dimensions of Culture* (2021) *Expert Program Management*. Available at: <https://expertprogrammanagement.com/2017/10/trompenaars-cultural-dimensions/> (Accessed: December 23, 2022).
32. Trompenaars, F. and Hampden-Turner, C. (1997) *Riding the Waves of Culture*. London: Nicholas Brealey
33. Ylikortes, M. (2020) *Cultural and communicational challenges when working in South Korea: Finnish employees' perspective and thematic analysis* [Preprint].
34. Zara.com (2021) *Zara, ZARA Official Website*. Available at: <https://www.zara.com/ae/en/z-company-corp1391.html>.
35. Zied (2022) *The 7 most needed skills for success in International Business, Pentabell*. Available at: <https://www.pentabell.com/blog/the-7-most-needed-skills-for-success-in-international-business/> (Accessed: December 23, 2022).