



DIAGEO CULTURAL AWARENESS OF GERMAN MARKET

NAME

MODULE: INTERNATIONAL BUSINESS COMMUNICATIONS

MODULE CODE : LCBB6001

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CONTENT OF THE PRESENTATION

DIAGEO

- Introduction to the content.
- Introduction of the German Culture
- Cultural Sensitivity In Germany Compared to UK
- Hofstede Cultural Dimensions
- Recommendations

INTRODUCTION TO THE CONTEXT

DIAGEO



- Diageo is a UK -based multinational company dealing with alcoholic beverages.
- The company's products include scotch, vodka, brandy, beer, and Indian made foreign liquor among others.
- The company was founded in 1997 via a merger of Grand Metropolitan and Guinness.
- Has strong commitment to sustainability and responsible drinking.
- The company has thought of expanding its operations to Germany.
- This sets a stage for an exploration of cultural distinctions between UK and Germany.

INTRODUCTION TO GERMAN CULTURE



- Germany one of the largest nations in Europe.
- The German culture is deeply rooted in history.
- It has made significant contributions to literature, music, art, and technology .
- As Diageo expand its operations to German it needs to understand the culture discrepancies between its home and host country.
- When moving to a new country, culture shock is expected.
- There are major differences between German and UK culture

DIFFERENCES BETWEEN UK AND GERMAN CULTURE

Culture aspect	UK	German
Language and Ethnic makeup	• English is the official language • Use indirect communication style. • They avoid conflict • Messaging is vague to attain social harmony • Diverse population of Afro-Caribbean, South Asia and other ethnic groups.	- Deutsch is the official language - Direct communication style - People speak clearly, honestly and explicitly - Criticism is communicated vaguely to avoid being offensive - Predominantly Germans, with notable Polish , Turkish and other immigrant communities
Religious Values	- Most people identify as Christians - A growing secular population	-Most people identify as Christians.

CONT'D

Cultural aspect	UK	German
Social structures	• Emphasise on individualism • A constitutional monarchy and parliamentary democracy	• Federal social republic • Emphasise on social welfare
Business-work-related attitudes	• Pragmatic and result oriented • Hierarchical structures are common • Formal approach to business • Work-life balance is critical	• Methodical and detail - oriented • Long term planning • Hierarchical structures, but collaborative. • Strong work ethics • Work-life is valued • Punctuality highly valued

CULTURAL SENSITIVITY IN GERMANY/ THE DIFFERENCES FROM THE UK



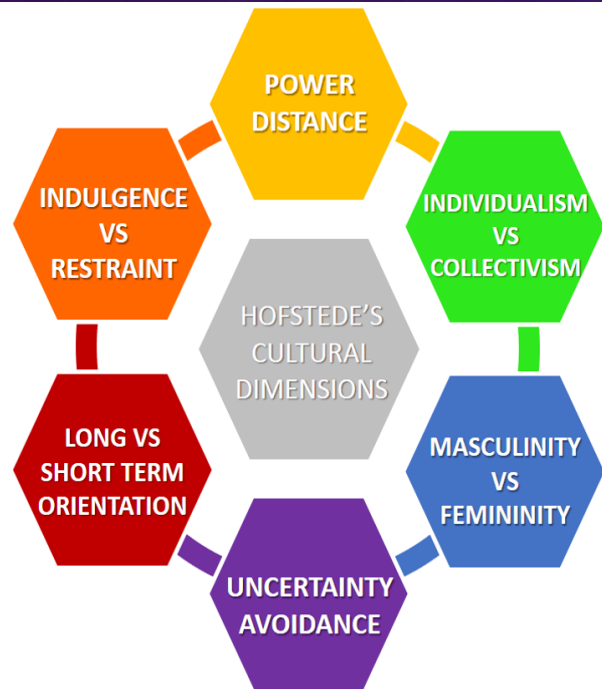
- Cultural sensitivity involves knowing, respecting, and acknowledging cultural variations between people and groups.
- It promotes pleasant and inclusive relationships.
- As Diageo expands its operations to UK, it need to be aware and accept the UK culture.
- British are known to be polite and less direct in communication
- Germans are known for punctuality, diligence and directness
- When doing business with Germans, Diageo Company management should get straight to the point.

CONT'D



- German decision-making is hierarchical and authority-based while UK is collective input
- Germans are more less risk takers while UK are open to risk taking
- German commercial ties are more formal, especially in initial stages compared to UK which can be informal
- In Germany, business gifts need to be of value. Gifts are normally opened privately unlike UK where business gifts can informal

HOFSTEDE CULTURAL DIMENSIONS: UK AND GERMANY



- The Hofstede Cultural Dimensions theory explains cultural distinctions between societies.
- It recognizes six cultural dimensions:
 - Power Distance,
 - Individualism vs. Collectivism
 - Masculinity vs. Femininity,
 - Uncertainty Avoidance,
 - Long-Term vs. Short-Term Normative Orientation,
 - Indulgence vs. Restraint.

HOFSTEDE CULTURAL DIMENSIONS: UK AND GERMANY

Hofstede cultural dimension	German	UK
Power distance	• Power distance shows the degree of equality among people in the society • Low power distance with a score of 35. • In professional setups, Germans focus on being punctual and correct. • There is interdependence between bosses and subordinates •	• Low power distance • British people believe equality should be minimised • Flat team structures is recommended,
Individualism vs. Collectivism	• German is an individualistic culture with a score of 67. • A strong belief of self-actualization • Loyalty is based on personal preferences • The relationship between an employee and an employer is defined by a contract.	• UK is an individualistic society with a score of 89. • Children are taught to think of themselves at an early age. • Believe in personal fulfilment
Masculinity Vs. Femininity	• It is a masculine society with a score of 66 • The society is influenced by competition, success and achievement. • People live to work • Managers are decisive and self-confident	• British is a masculine society at a score of 66 • People in UK live to work and have a clear performance ambition

CONT'D

Cultural dimension	German	UK
Uncertain avoidance	Uncertain avoidance country with a score of 65 German business people focus on rules	• Low score of uncertain avoidance -35 • British people are comfortable around ambiguous scenarios • Can tolerate lack of information about the future
Long-Term vs. Short-Term Normative Orientation	• High score of 84 indicating it is a pragmatic country. • They believe that truth depends on context , situation and time • Adapt to changes easily	• Has neutrality on this goal • Short term gains help them to get to speed • Struggle in setting long -term goals
Indulgence vs. Restraint	• Restrained culture • Do not focus on leisure • Restrained by social norms	• A high score of 69 which shows is an indulgent culture. • Willingness to realise their desires and impulses

RECOMMENDATIONS



The suggested recommendations are appropriate for the company to be successful in Germany.

1. Be well organised

- Germans are constantly orderly and prefer predictability to spontaneity.
- Work systematically according to the plan

2. Punctuality

- when scheduling meetings with German's prospects, Diageo representative should arrive 5-10 minutes ahead
- Avoid canceling of appointments.

3. Language

- Have a company representative who understand and can communicate in German

4. Titles

- Diageo business representatives should use proper forms (Frau (Mrs.) or Herr (Mr) followed by titles.

RECOMMENDATION CONT'D

5. Dress code

- The company's representatives should maintain formal and conservative dressing code.
- Avoid flashy accessories and jewelry.

6. Communication Style

- The Diageo business representative should be straightforward during communication.
- Avoid improvising or faking

7. Deliver on the Promises

- The company should not over-promise as it may appear desperate or untrustworthy

CONCLUSION

- Understanding cultural differences and adopting a strategy that matches German corporate principles is essential to succeeding in Germany.
- Respecting cultural differences improves communication, relationships, and foundation for Diageo Company .
- A culture transformation, dedication, awareness, and adaptation are needed to achieve global expansion.

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Thank You !!!