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Business
Management
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Cross-Cultural Negotiation Strategy: Cafepod in China
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Aim and Overview

- Achieve UK–China strategic partnership success.
- Analyse culture, challenges, strategies, recommendations.



relationship in China through an understanding of how to handle cross-cultural negotiation issues. It will start with the introduction of the important cultural concepts and applicable theories, then proceed to the analysis of the significant differences between the UK and Chinese business practices. The presentation will then pinpoint the challenges that may arise and give viable strategies and recommendations that can be used to have a successful communication, relationship-building and long-term business success.

Cafepod Context & China Opportunity

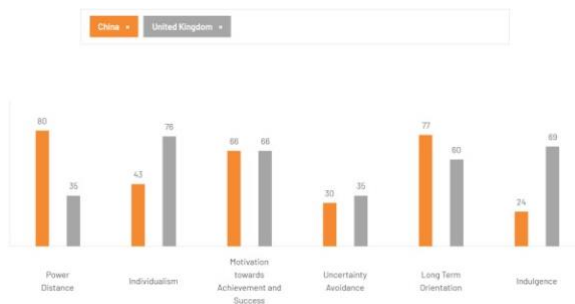
Cafepod is a SME in UK coffee sector (Cafepod, 2026).

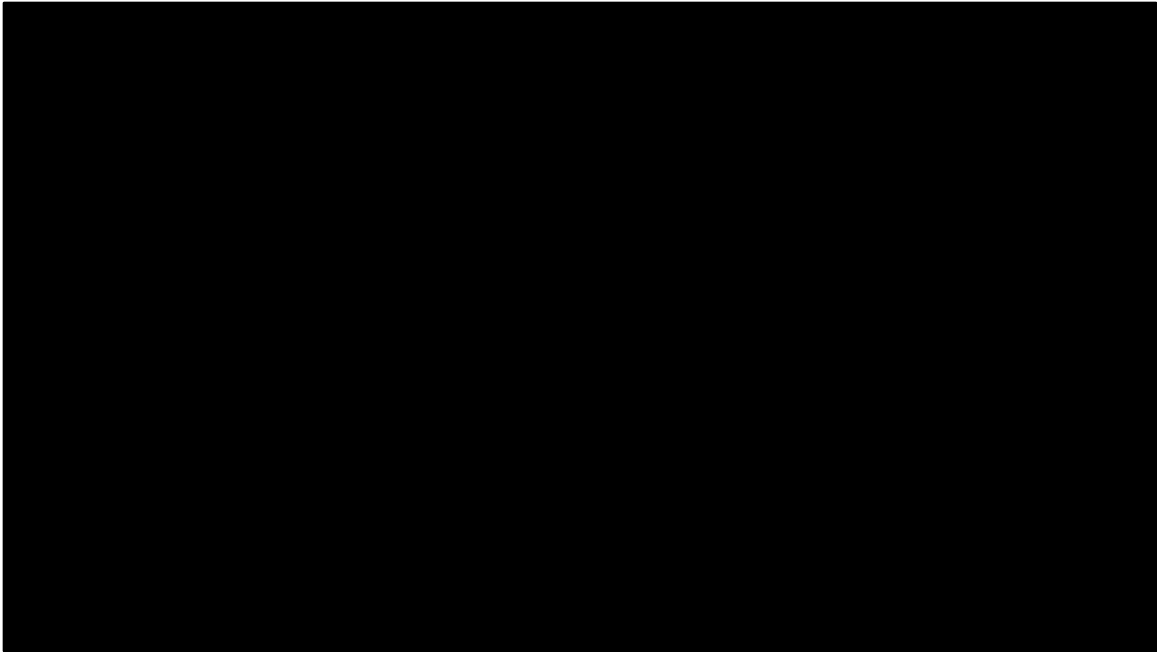
UK premium brand entering China.

Requires partners for cultural alignment.



urbanisation and rising consumer purchasing high-quality products (Cafepod, 2026). However, as the market potential is good, it will not be successful without the collaboration with the local partners in order to overcome the issues with distribution and culture. More importantly, the success of the market does not solely depend on the quality of the product, but also on the ability to fit into the cultural norms of the Chinese and relationships as the basis of doing business.





expectations (Hofstede Insights, 2026).

Factor	UK	China	Impact on Cafepod
Communication	Direct	Indirect	Misunderstanding risk
Relationships	Taskbased	Guanxi	Trust needed first
Hierarchy	Flat	High	Respect authority
Decisions	Fast	Slow	Delays in deal

Key Challenges for Cafepod

- Communication gaps increase misunderstanding risks.
- Guanxi absence weakens



The move by Cafepod to expand into China poses some important cross-cultural issues that can be critical in countering the negotiation outcomes. First, the communication differences, based on the high- and low-context theory developed by Hall (1976), put a risk of misunderstanding since the communication in China is indirect and high-context, unlike in the UK, where the communication is direct. This can result in uncertainty and a lack of clarity in the negotiation. Secondly, the lack of guanxi, which is a framework of trust relationships, may be an obstacle to the development of partnerships, as the Chinese business culture values more long-term relationships and commitment than transactional interactions (Taube and Horak, 2023). Moreover, the hierarchical structures are likely to slow down decision-making in China and make consensus-based decisions, which can delay agreements (Hofstede



Build Guanxi using
local intermediaries.

Maintain
relationships beyond
contract agreements
(Syarifudin and
Kholis, 2024).

Negotiation Strategy

An organised negotiation plan is needed to overcome these difficulties. At the pre-negotiation stage, Cafepod must focus on the creation of guanxi by interacting with local people several times and use local intermediaries to address cultural and institutional divides (Syarifudin and Kholis, 2024). During the negotiation stage, indirect communication should be adopted, patience should be exhibited, and time should be flexible, which is adjustable to the Chinese expectations. It is also important to maintain long-term relations even after the negotiation process is over, since trusting relationships persist even after signing contracts in the Chinese relational business set-up.

Train managers for
cultural intelligence.

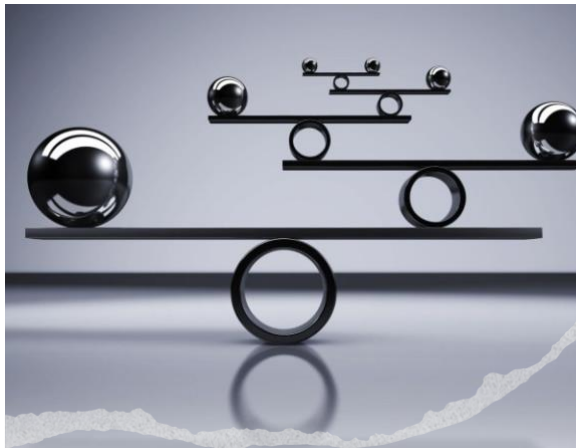
Practical Strategies for Success

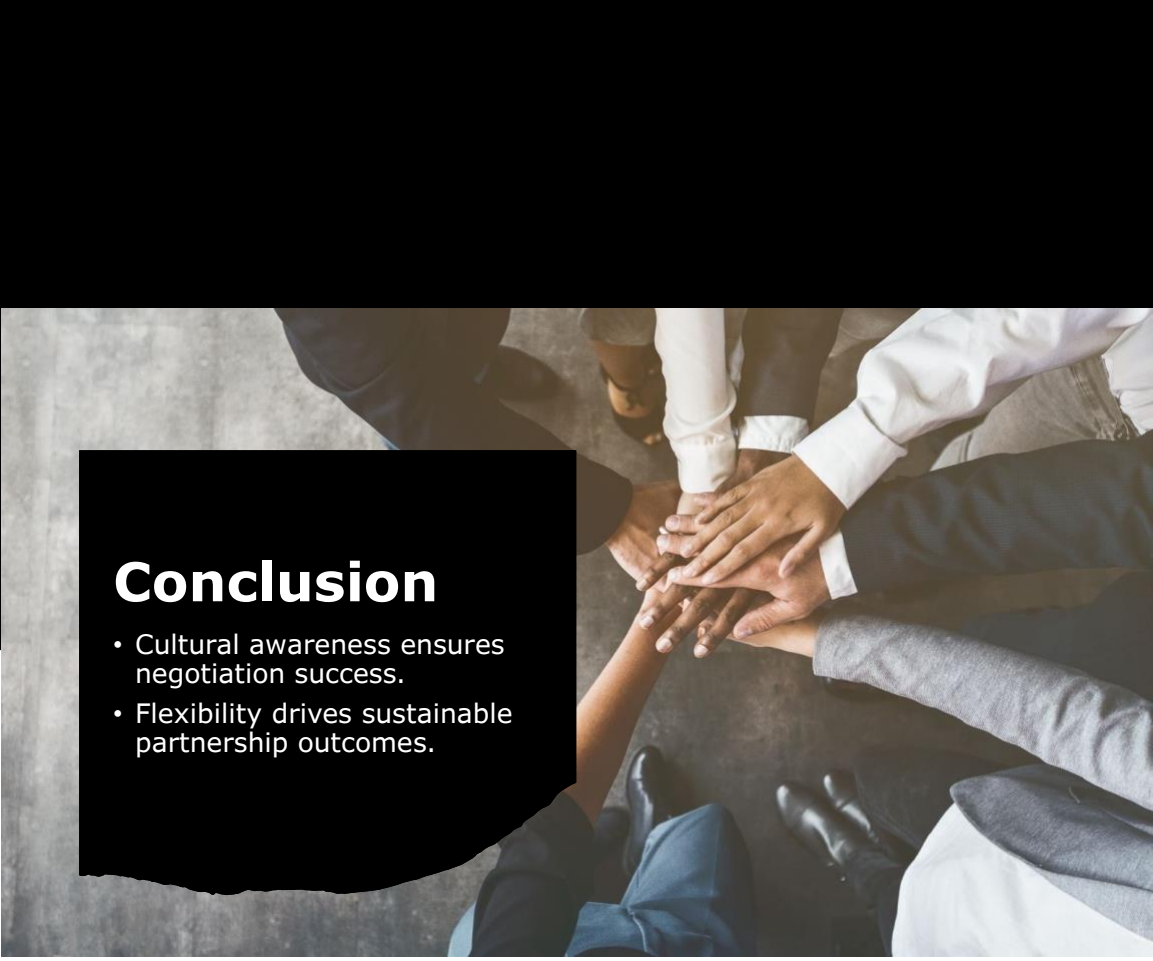
Hire experts, adapt branding locally (Wang and Goh, 2020).



negotiating within the regulations is through hiring local Chinese specialists. Moreover, there is a need to transform branding tactics to local tastes without losing the initial brand image. Another way of gaining credibility is by observing a hierarchical structure at the meetings and deferring to senior stakeholders. An integration of these strategies will enable a firm to negotiate better and in a

culturally appropriate manner, as in the Cafepod case.





Conclusion

- Cultural awareness ensures negotiation success.
- Flexibility drives sustainable partnership outcomes.

It is concluded that cultural awareness is a determining factor in successful international negotiation. The flexibility and relational aspects of Cafepod will be the ultimate factor to assess the success of its introduction to the Chinese business culture as well as the sustainability of its long-term partnership.

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Syarifudin, M. and Kholis, N., (2024). GUANXI AND BUSINESS SUCCESS AMONG CHINESE ENTREPRENEURS: A SOCIAL CAPITAL PERSPECTIVE. *Cogito* (2066-7094), 16(2).

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