

**Assignment 2**  
**International Financial Management**  
**PRESENTATION**

**Module Name: International Business Communications**  
**Module code: LCBB6001**

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# INTRODUCTION

## Fraser's Group Uk is doing business in Germany

Fraser Group intends to acquire SportScheck, a leading sports retailer in Germany, expanding its presence in Europe's largest sports market.

**SportScheck**

### *SportScheck*

- *75 years in sports retailing business,*
- *34 stores in main german cities*
- *303 million pounds turnover*

Michael Murray, CEO of Frasers Group, said: 'Acquiring the leading sporting goods retailer in Germany is a big step in our journey to becoming the number one sports retailer in EMEA. +

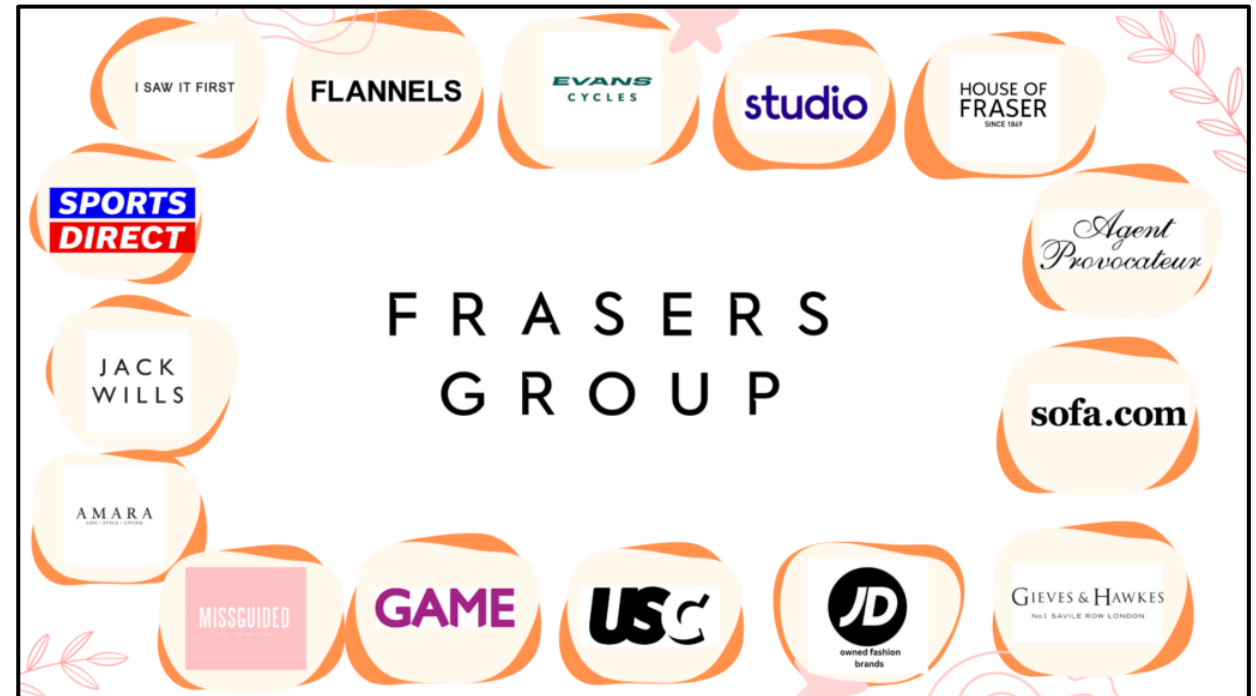
'We are delighted to do this with the full support of major global brand partners, Adidas and Nike. Growing and expanding our Sports business is a key focus area in becoming an international retail business. • ○

# Fraser Group Facts

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- Frasers Group plans to expand into the German market to strengthen its SportScheck business.
- The company has grown from a small store in Maidenhead, in 1982, to a global powerhouse.
- Frasers Group is developing with innovative retail approach, connecting people to top sports, premium, and luxury brands to create a compelling brand ecosystem.





# Introduce the German Culture

*Germany has a diverse cultural identity with a rich history and mix of religions, customs, and traditions. It blends Christian beliefs with literature, art, philosophy, logic, reason, and a fondness for beer and sausages.*

## CULTURAL DIFFERENCES BETWEEN GERMANY AND UK

### 1. Road Traffic Regulations

Drivers in Germany drive on the right-hand side of the road, while drivers in the UK drive left-hand. This is believed to have originated in the early days of horse-drawn carriages in England, where horses were chained together. Mirror-inverted traffic also applies to escalators.



### 2. TEA/COFFEE TIME AND THE TIME DIFFERENCE



GERMANS LIKE COFFEE, WHILST THE BRITISH ARE KNOWN FOR THEIR TEA. COFFEE HOUR IN GERMANY IS EARLIER, BETWEEN 2 AND 3 P.M., AND MANY ENJOY EATING A SWEET CAKE.



THERE IS 1 HOUR'S TIME DIFFERENCE BETWEEN BRITAIN AND GERMANY. YOU SHOULD KEEP THIS IN MIND WHILE SCHEDULING AN APPOINTMENT.



# CULTURAL DIFFERENCES BETWEEN GERMANY AND UK

## 3. The British are more polite, whereas Germans are more direct

Germans are known for their diligence, punctuality, and directness, while the British approach is more polite and indirect, favoring restraint and careful wording in business.

## 4. Business English

English terminology, like "Chef" in German, has distinct business meanings compared to regular interactions, like "Chief" in the United States, which evokes images of a police station supervisor.

## 5. Birthday cards

In Germany, birthday cards are signed by the group, while in the UK, each person writes a message on the card.



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# SUCCESS AND FAILURE FACTORS OF SUCCEEDING IN GERMANY

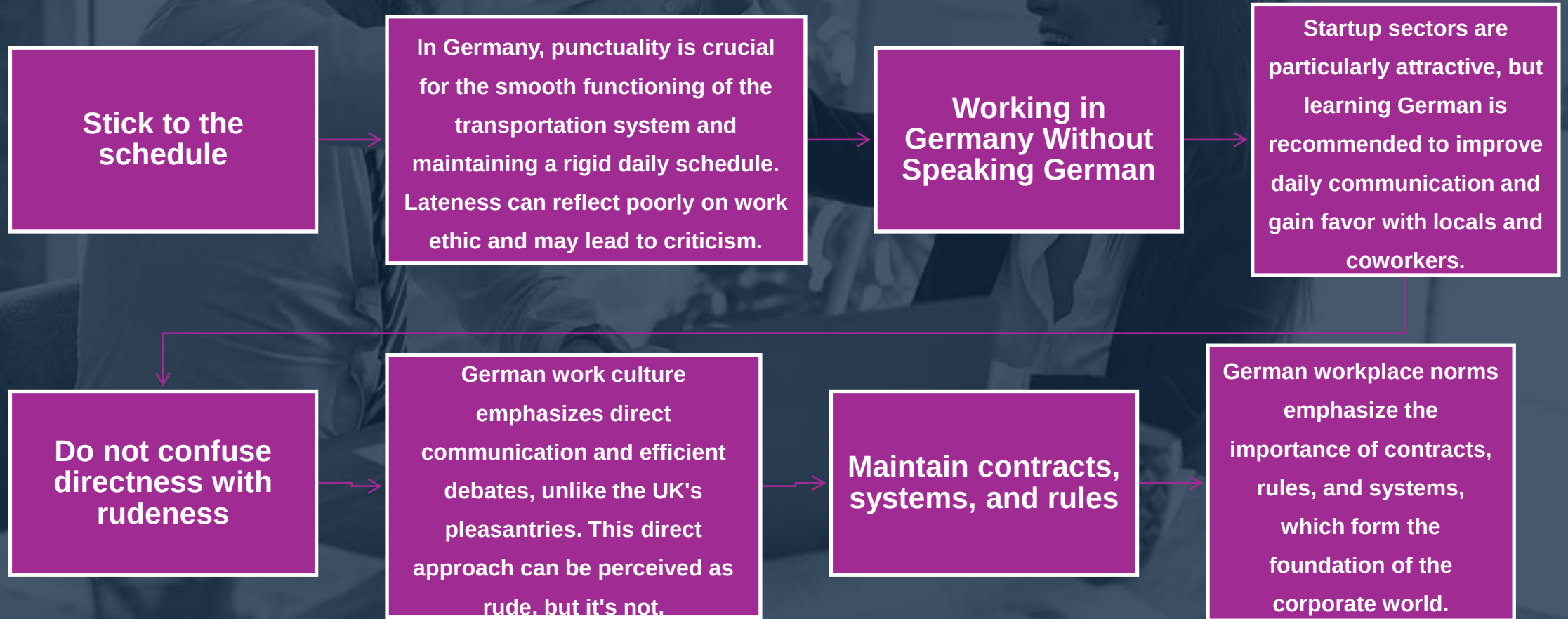
**Substance over style.** Advertising should emphasize product characteristics and accurate facts, as Germans value trustworthy facts and authentic content, such as user-generated content on social media for authenticity.

**Transparency is crucial.** The German market is highly price-sensitive, and offering free returns and shipping information can significantly boost conversion rates.

**Payment methods must vary.** Germany's risk-averse culture favors multiple payment options, with PayPal and invoice payment being the most popular. Investing in BNPL schemes could offer businesses a significant promotion opportunity in the country.

**Localization is essential.** Accurate translation and native copy are crucial in cross-border advertising, especially in Germany. Tailoring websites to the German market, including currency and size measures, can unlock potential and lead to worldwide success.

# CULTURAL SENSITIVITY IN GERMANY/DIFFERENCES FROM UK



# CULTURAL SENSITIVITY IN GERMANY/DIFFERENCES FROM UK

## ☐ The job market is rich.

The German job market offers numerous opportunities, with low unemployment and a thriving startup market, particularly in the technology sector. Berlin, Europe's Silicon Valley, accounts for 16.8% of enterprises. The startup economy could support over 4 million jobs by 2030.

## ☐ Early starts are popular

Germany's average working week is 36-40 hours, with 8 hours per day, five days a week, starting from 7:30am, unlike the UK's 9-5 timetable.

## ☐ The work-life balance is a reality

Germans prioritize work-life balance, with less work-related alcohol consumption and a focus on production. They understand the difference between work and leisure, and often spend their free time with family and friends.

## ☐ Leave your illness at home

In the UK, sick days are analysed thoroughly, while in Germany, employees are encouraged to stay home at the first sign of illness, even minor ones. This may be frowned upon as it risks infecting others.



# HOFTSTEDE CULTURAL DIMENSION: UK AND GERMANY

## POWER DISTANCE

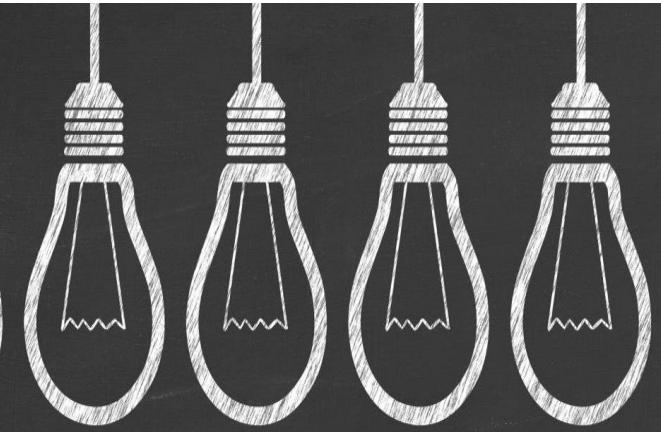
- ✓ Germany (35), with its strong middle class and decentralized system, ranks low in power distance. Management must respect co-determination rights, promote direct communication, and challenge leadership to demonstrate knowledge.
- ✓ Britain ranks 35th on the PDI, indicating a society that values social inequality and a lower PD index for the upper class. This contrasts with the established British class system and cultural tension between birth rank and equal opportunities.

## INDIVIDUALISM

- ✓ Germany's individualist society values small households, strong parent-child bonds, self-actualization, and loyalty, with employer-employee agreements, direct communication, honesty, and responsibility as foundations. (rank 79)
- ✓ The UK's individualist society score of 76 encourages private thinking and personal fulfillment. As prosperity spreads North, unrestrained consumption and the "ME" culture have been discussed, highlighting the country's focus on personal fulfillment.

## MOTIVATION TOWARDS ACHIEVEMENT AND SUCCESS

- ✓ Germany is a Decisive society, with a divided school system, high performance expectations, and a focus on self-worth from jobs. Managers are expected to be forceful and determined, and status is often shown through gadgets.
- ✓ Britain's Decisive society, 66 years old, values success and modesty. This contrasts with a success-driven value system, causing confusion for foreign visitors. People in the UK live for work, unlike Scandinavian cultures.



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# HOFTSTEDE CULTURAL DIMENSION: UK AND GERMANY

## Uncertainty Avoidance

Germany avoids uncertainty (65), preferring deductive methods over inductive ones in thinking, presenting, and planning. The legal system reflects this preference, with details crucial for well-thought-out projects. Germans rely on competence to compensate for higher uncertainty, especially when combined with low Power Distance.

The UK, with a low score of 35 on the uncertainty avoidance scale, is known for its "muddling through" approach and adherence to rules. Due to its high MAS, the end objective is clear but specifics are sparse, leading to a lack of detail in planning. However, this also reduces planning horizons. The UK's individualism and curiosity result in a high degree of creativity and innovation, evident in various aspects of society, including humour, novel products, and innovative businesses.

## Long Term Orientation

Germany, with a pragmatic score of 57, values circumstances, context, and timing, exhibiting thrift, persistence, and adaptability to changing circumstances.

Britain's pragmatic culture, scoring 60, values circumstances, context, and timing, leading to thrift, tenacity, and a high inclination to save, invest, and modify customs to suit changing circumstances.

## Indulgence

German culture's low score of 40 suggests restraint, pessimistic, and cynical tendencies. Restrained societies restrict desires and value leisure time, leading to individuals believing social rules limit behavior and indulgence.

British culture scores 69 as Indulgent, characterized by optimism, leisure time, and personal spending, indicating a willingness to indulge in pleasure and indulge in their desires.



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# RECOMENDATIONS

- When greeting German business partners, coworkers, and clients, it's essential to shake hands and use formal titles, especially on your first meeting at a new job.
- Germans respect decency by waiting for others to finish speaking, maintaining good eye contact, keeping hands out of their pockets, and using surnames and titles like Frau or Herr.
- Germany's workplaces generally follow strict dress codes, with women wearing simple pants or skirt suits and men wearing black suits with ties.
- Germans are transparent, honest, and fair in negotiations, using official language and being early for meetings or appointments to ensure fair prices and data-backed claims.



# CONCLUSION

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Germany, the largest economy in the European Union, is a significant business hub with thriving engineering, automotive, and service sectors. Understanding German business culture is crucial for successful commercial dealings, whether dealing with German businesses or relocating for employment.





**Q & A**

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