

BA Business Management
International Business Communications
Individual Presentation

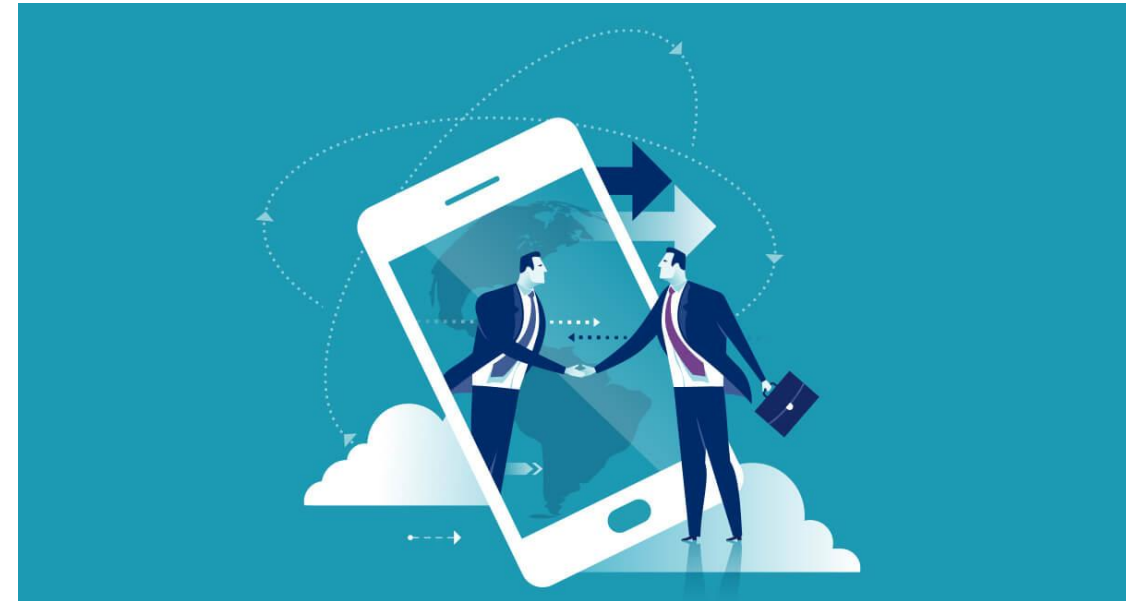
MARIANA MIHAELA CICU:

STUDENT ID: 2028271



Introduction

- Joint ventures between FMCG giant company Unilever and Chinese FMCG Company Kweichow Moutai will be discussed.
- The establishment of an efficacious form of FMCG business in China is the main purpose of this partnership.
- Cultural challenges faced by the two companies along with the discussion of relevant intercultural theories of communication and effective solutions will be assessed.



Requirement of joint ventures

Joint Ventures



- Joint ventures should be LLCs and the distribution of both losses and profits should be equally proportioned to the partners (Meleady et al., 2021).
- Unilever has to invest with the minimum range of equity interest of 25% in the registered capital of joint ventures, while China requires no investment.
- Kweichow Moutai has to be permitted to access the distribution channels and sales of Unilever.

Cultural challenges

- Unilever can face various restrictions of the Chinese government that maintains bureaucracy.
- The markets of China have limited access to foreign companies.
- The strict hierarchical features of the Chinese workplace make it difficult for Unilever to establish a joint business in China (Fomenko et al., 2020).
- Unilever can face challenges while understanding the working culture of collectivism.



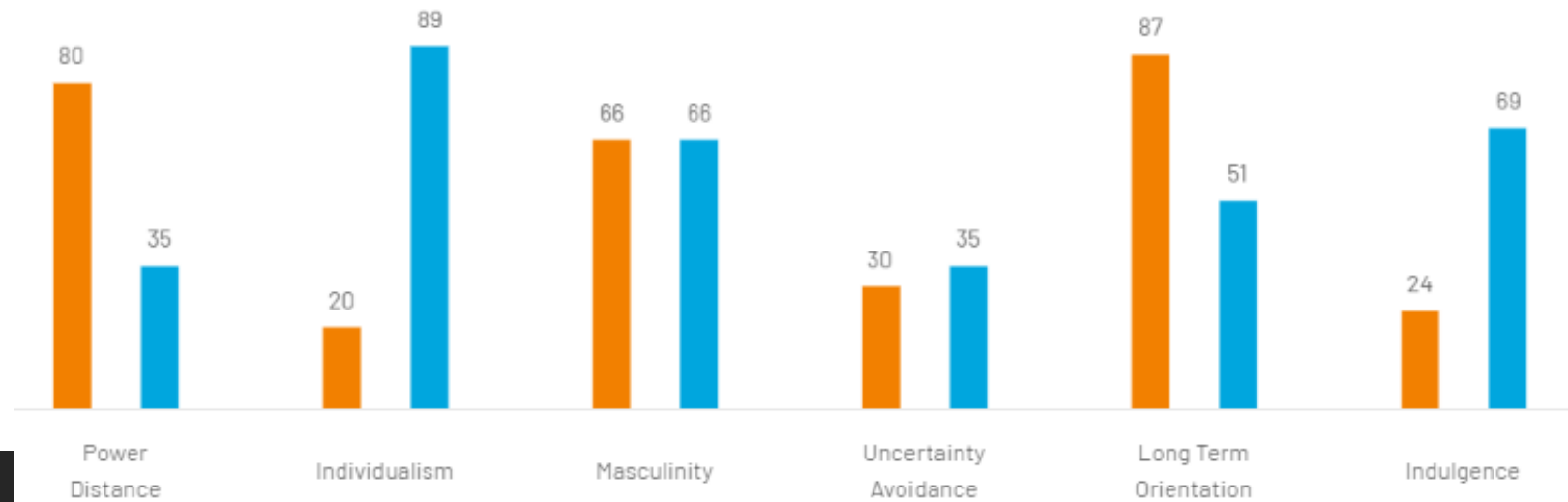
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- Chinese people prefer working in their local companies that influence the HR policies with the strictness of isolated social culture.
- Chinese people are more concerned about their natives and make decisions with collectivist culture (Gallego-Álvarez and Pucheta-Martínez, 2021).
- It creates challenges for the UK's individualistic features of the business environment.

Relevant intercultural communication theories

- 80% of Chinese people accept the inequality in their society whereas only 35% people of in the UK believe it.
- 89% of UK people and only 20% of Chinese people prefer an individualist culture.
- In terms of determining masculinity, 66% of people respectively of both countries prefer the driven culture with highly concentrated success (Kulich et al., 2020).



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- Avoidance of uncertainty is supported by both the UK and China's people respectively 35% and 30% (Sent and Kroese, 2022).
- Orientation of long-term is followed by 87% of Chinese people while only 51% of UK people support the traditions of adjusting to transformed conditions.
- Indulgence is supported by 69% of UK people whereas the restrained culture is preferred by 76% of Chinese people (Debellis et al., 2021).

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- The theory of Jandt identifies the competence of intercultural communication.
- The identification of competence refers to the skills development area that helps to change an individual in his traits.
- The change makes the person an individual with multicultural characteristics from the monocultural trait (Tetteh et al., 2023).



Business communication solutions

- It is highly recommended that Unilever should learn from the auto industry of the China market.
- Unilever has to share its clear vision with future aspects that should be recognised by the Kweichow Moutai, which refers to another important recommendation (Chan et al., 2022).
- It is highly recommended that both companies should create a stand-alone and unified culture in the joint ventures.



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- It is also highly recommended that the clear vision of Unilever for a joint partnership with Kweichow Moutai should include the transfer of ideas for the development of business knowledge.
- It is highly recommended that both companies should share common cultures, values, and visions.
- It is highly recommended that Unilever has to appoint globally experienced professionals in risk management, strategic planning, and venture capital.

Conclusion

- Unilever and Kweichow Moutai have been described to develop joint ventures by entering the Chinese market.
- The cultural differences and challenges of the two countries have been described here for mitigating the cultural barriers of the joint business.
- Finally, some effective recommendations have been discussed to make a unified business culture between the two companies.



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