

BA Business Management

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INTRODUCTION

Business communication is the means by which information and ideas are exchanged between managers and organizations in the business environment. For a company to function, there must be objectives, and in achieving these objectives, messages are transmitted clearly and relevantly to succinctly understand the common interest of the organization. Through collaboration and communication, problems are solved, relationships with clients or employees, partners, or other third parties are managed. Additionally, business communication is relevant in decision-making.

Overall, business communication is essential for the success of the organization, for building organizational culture. Only through effective business communication can a company improve its relationships, operational processes, technological development, and expansion. For an organization to have effective communication, it must possess techniques for efficient writing and drafting of business messages, including letters, emails, reports, and formal documents, as well as interpersonal and team communication in an international and multicultural context. (H.A. Murphy, H.W. Hildebrandt, 1997)

Depending on the country, there may be different typologies of business communication in production processes, as communication is influenced by organizational culture, practices, and social norms. Even so, there are common aspects found in certain regions or countries. Communication in production processes can be extremely rigid, based on planning, coordination, and adherence to procedures, in countries such as Germany or Japan.

In contrast, in countries like the United States and the United Kingdom, which have an organizational culture oriented towards flexibility and innovation, production processes can be adapted to artificial intelligence because there is openness, and communication is not rigid.

In Asian countries, communication in production processes is based on hierarchy.

Therefore, this essay will critically evaluate the opportunities through which Sainsbury's can expand into a European Union country so that, through strong strategies, communication barriers can be overcome. (T. Morrison, W.A. Conway, 2006)

Sainsbury's – "Quality perfect, prices lower"

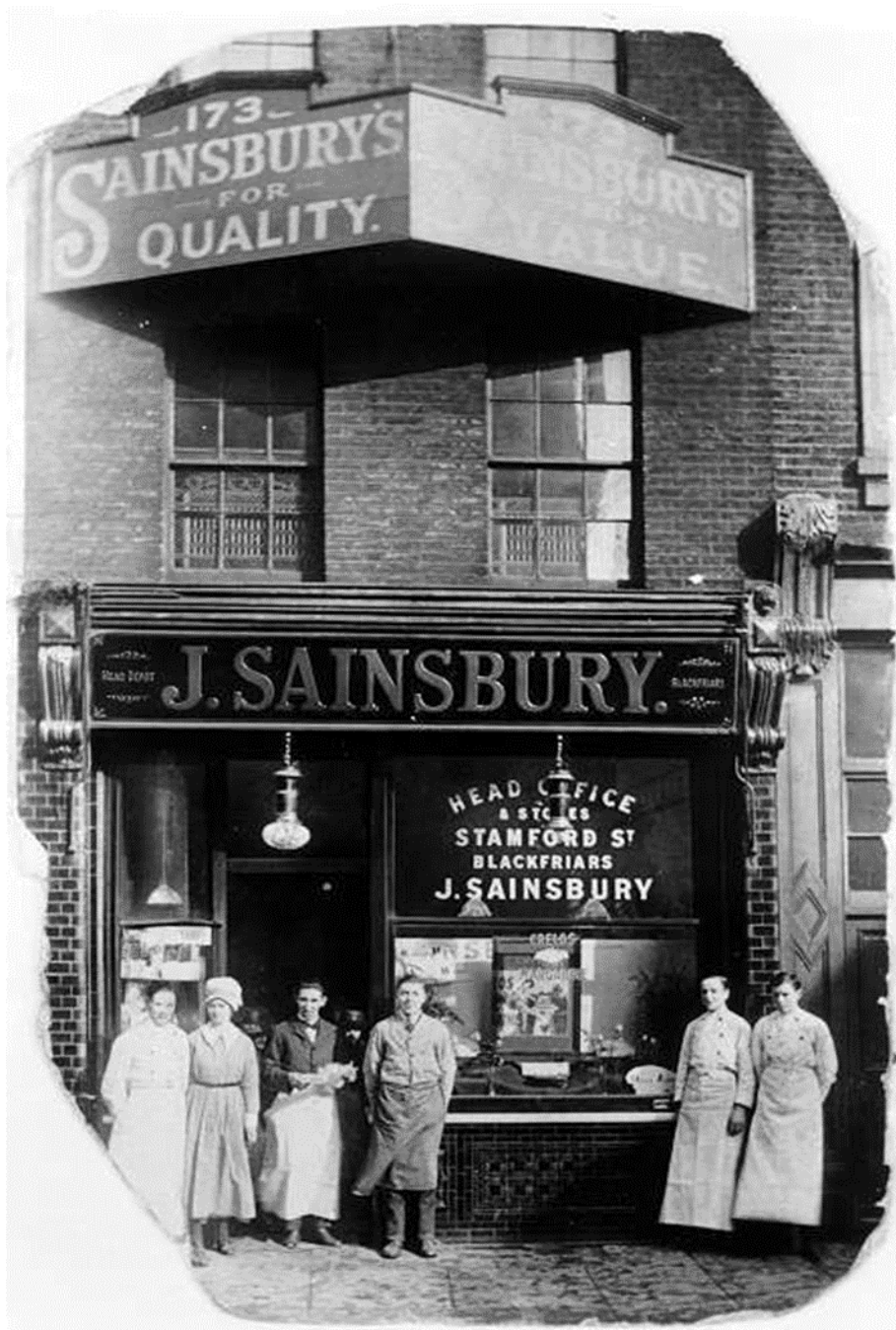


Figure 1: Sainsbury's London Location (Source: Sainsbury's Archives, 1919)

In the United Kingdom, Sainsbury's was born under the slogan "Quality perfect, prices lower." One of the largest retailers in the UK, Sainsbury's offers a wide range of products, including both food and beverages, as well as household items, clothing, and many other non-food products. The company owns several brands, including Sainsbury's Local, Tu Clothing, Sainsbury's Bank, and Argos.

In addition, Sainsbury's is committed to environmental protection and is a supporter of social responsibility and sustainability, aiming to reduce carbon emissions and support local communities. It is also a competitive organization in the market, adapting to changes in customer preferences and the market and often investing in technology and development to meet all customer and community requirements.

Not only is it among the most well-known supermarket chains in the UK, but there is also an extremely close relationship with the country where it operates, specifically the United Kingdom. Sainsbury's operates throughout the country and serves a diverse and varied population. The organization tailors its offerings and strategies based on the area in which it is located and meets the local preferences of customers in different regions of the country and their needs.

Regarding culture, Sainsbury's reflects the values and cultural preferences of the population, respects cultural norms and customs, and promotes its products and services to be in line with and relevant to regional culture. The predominant language is, of course, English, and communication with customers is in the native language, both on the website and in advertisements and marketing materials.

Sainsbury's generates significant revenue and has a significant impact on the British economy, providing thousands of jobs among other contributions. Therefore, national prosperity is supported by this supermarket chain. Unemployment is reduced through job support, contributing to the improvement of employees' living standards. Additionally, the company is a promoter of diversity and inclusion in the workforce and pays special attention to social commitment and responsibility to employees, providing them with numerous benefits.

In terms of Technological Progress, Sainsbury's is an innovator and is open to technological development so that customers have the best experiences. The organization invests in technological solutions and aims, through mobile applications, contactless payment systems, home delivery services, to remain a perfect competitor in the market.

Although it is an imposing supermarket chain, Sainsbury's currently operates and develops its operations in the UK and Ireland. Discussions about potential expansions of Sainsbury's into other countries, including the United States, have occurred, but plans have not materialized, and there have been no supermarkets opened or operations underway in countries other than the UK.

EVALUATION OF TWO COUNTRIES WHERE Sainsbury's COULD EXPAND

In order for Sainsbury's to expand into a country within the European Union, a critical evaluation of the beliefs, social context, potential risks, and employment prospects aligned with the organization's operations in the respective country is necessary. I have chosen two countries with different economic strengths (a highly developed country, Germany, and an emerging country, Romania) to analyze and compare, thus verifying the compatibility between Sainsbury's offerings and the most suitable country to host the company. Through this comparison and evaluation, I will ensure that the recommended country is the most favorable option for growth.

The cultural differences among the three countries: the United Kingdom, Germany, and Romania, are evident. They are countries with different economic development compared to Romania, which is a developing country, having recently emerged from communist influence. German is spoken in Germany, and Romanian is the spoken language in Romania, but in both countries, English is known. However, for Sainsbury's to expand its services and products in either of the two countries, communication (both in open supermarkets and in advertising spots, marketing materials, labels) must be in the language of the buyer.

In Germany, the major risk lies with competitors, as it enters a market dominated by Rewe, Aldi, Edeka, Kaufland. In Romania, the major risk is represented by the purchasing power of people, the economic situation, and customer loyalty to retailers such as Lidl, Kaufland, Auchan, and Carrefour.

In terms of the workforce, Romania stands out with its abundant and inexpensive labor force, specialized in various fields of activity, which could be a significant advantage for Sainsbury's. Unlike Germany, where the labor force is expensive and similar to the United Kingdom, retail workers are predominantly immigrants

1. **Power Distance:**

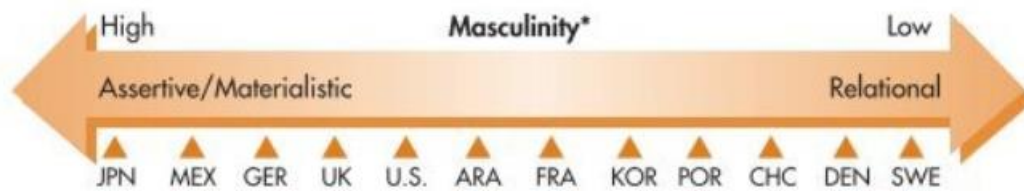
- **UK:** The atmosphere is more relaxed, with medium hierarchical levels and open communication between employees and management. The concept of "open-door management" is practiced.
- **Germany:** Emphasis is placed on vertical hierarchical structure and detailed procedures and planning. Planning, control, and rules are highly valued.
- **Romania:** Recently emerged from communism, Romania has experienced democracy and aims for a relaxed atmosphere with light rules and gradual openness to the practice of "open-door management."

2. **Individualism vs. Collectivism:**

- **UK:** Relationships are flexible.
- **Germany:** "Germans rank quite high on Hofstede's individualism dimension" (Deresky, Helen, 2016).
- **Romania:** Falls into the category of collectivist societies compared to individualist societies.

3. **Masculinity vs. Femininity:**

- **UK:** Gender equality is heavily promoted, but there are tendencies towards masculine power. It is worth noting that there is openness to gender diversity in companies.
- **Germany:** Masculine power is supported, but there is openness to gender diversity in companies.
- **Romania:** Tendency is towards masculine power, with gender equality slowly developing. There is no openness to gender diversity in companies.



*Not to scale — indicates relative magnitude.

Source: Data based on G. Hofstede, 1983.

Figure 2: Masculinity vs Femininity (Source: International Management: Managing Across Borders and Cultures, 2016)

4. Uncertainty Avoidance:

- **UK:** Change brings evolution, and there is a high degree of flexibility and a tendency for changes.
- **Germany:** "They have a high degree of uncertainty avoidance; even in negotiations, detailed information is requested to avoid risks" (C.G. Tacea, 2024).
- **Romania:** Sensitivity to changes and lack of openness to risk due to economic conditions.

5. Long-Term Orientation vs. Short-Term Orientation:

- "The United Kingdom and Germany are classified with a short-term orientation" (C.G. Tacea, 2024).
- Romania is oriented towards the short term



*Not to scale—indicates relative magnitude.

Source: Databased on G. Hofstede, *Culture's Consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*, 2nd ed. (Thousand Oaks, CA: Sage, 2001).

Figure 3: Long/Short Term Orientation (Source: International Management: Managing Across Borders and Cultures, 2016)

COMMUNICATION BARRIERS

THE IMPORTANCE OF SPOKEN LANGUAGE – ADVANTAGES AND DISADVANTAGES

The language of a country is highly important and represents the main barrier to communication in business, as a message, idea, concept, slogan, or even emotions can be misunderstood.

In business, and for expanding business internationally, adapting to the linguistic level of the buyer can help in forming solid business relationships, thus avoiding communication barriers. When expanding into another country, using the language understood by the buyer is crucial. If the communication is in the buyer's language, they can understand technical terms in the field, thereby eliminating confusion.

In supermarkets such as Sainsbury's, using a language other than that of the buyer can lead straight to bankruptcy.

The only disadvantages Sainsbury's may encounter in communicating in the buyer's language are inaccurate translations or misinterpretations that lead to confusion and misunderstanding in communication.

COMMUNICATION BARRIERS FACED BY FOREIGN COMPANIES EXPANDING INTO ROMANIA AND GERMANY

In the case of Sainsbury's expanding into Romania, cultural differences may leave their mark. Due to Romania having a culture vastly different from that of the United Kingdom, Sainsbury's could encounter difficulties in communicating with employees. Therefore, management and decisions need to be oriented towards Romanian cultural habits and values to effectively communicate with both employees and customers. In Romania, a barrier hard to overcome is represented by bureaucracy and complex procedures that slow down communication.

Since Romania's accession to the European Union, several foreign companies have expanded their operations here. Among them is the German supermarket chain Kaufland. In addition to the communication barriers mentioned above (cultural differences, language, bureaucracy), Kaufland encountered low resistance to change because both customers and employees were accustomed to other types of stores. Kaufland adapted to local needs and is currently one of Romanians' favorite supermarkets.

If Sainsbury's decides to open supermarkets in Germany, it will encounter an organizational culture that is extremely different from that of the United Kingdom. For smooth communication with German partners and employees, Sainsbury's must adapt to the procedural and structural requirements of Germany. Amazon has also expanded its operations in Germany and had to adjust to the working conditions and relationships with German unions.

Additionally, the spoken language can represent a communication barrier between Sainsbury's and Romanian or German employees or customers, even though both countries have a high rate of understanding and speaking English. In either of the two countries Sainsbury's decides to expand into, there could be certain communication barriers.

However, considering the economic level, resistance to change, adaptability, and local preferences, I believe that for Sainsbury's, Germany is the place where it should expand.

RECOMMENDATIONS

Based on the insights provided by Helen Deresky in her work, and considering the economic power of Germany in Europe, it is recommended for Sainsbury's to seek support and familiarize itself with a country such as Germany in order to expand globally and make a mark. It is important for Sainsbury's to clearly define its mission and vision.

Mission: To establish a management office in Germany to overcome cultural barriers, aiming to stimulate global trade.

Vision: Sainsbury's aims to be among the top retailers of both food and non-food products, to be a market leader globally, and to offer customers low prices and high quality.

Understanding and adapting to different cultures, as defined by Helen Deresky as "cultural sensitivity or cultural empathy," is crucial. By understanding and studying another culture, it can be accepted, and international managers can develop and manage policies effectively, enabling successful integration and expansion in the market. By following this strategy of "cultural empathy," cultural differences will not hinder Sainsbury's expansion.

It is important to mention that in order to overcome cultural differences and enter the German market, Sainsbury's must critically analyze the market and understand its requirements. This can be achieved through concrete strategies such as detailed research on competition, with studies measuring the failures of other English retailers who have tried or entered the German market (e.g., Marks and Spencer), and by developing strategies to identify the mistakes made by those who have tried to enter the German market.

By conducting market analysis, closely monitoring population preferences, accurately assessing competition, and identifying the mistakes of other retailers who have entered the German market, if Sainsbury's also engages in openness and adaptability to the market, it can succeed in the German market. Therefore, all studied factors will be favorable for long-term expansion and resilience.

Even the marketing culture differs between Germany and the United Kingdom. In the UK, creativity, humor, diversity, innovation, quality, and value are emphasized in marketing. On the other hand, Germans prioritize simplicity and clarity in their marketing policies, focusing on efficiency and quality in slogans, with the quality-price ratio being the most important aspect on which Germans rely in marketing campaigns.

Slogan Lidl UK: "Great deals at your local store!"

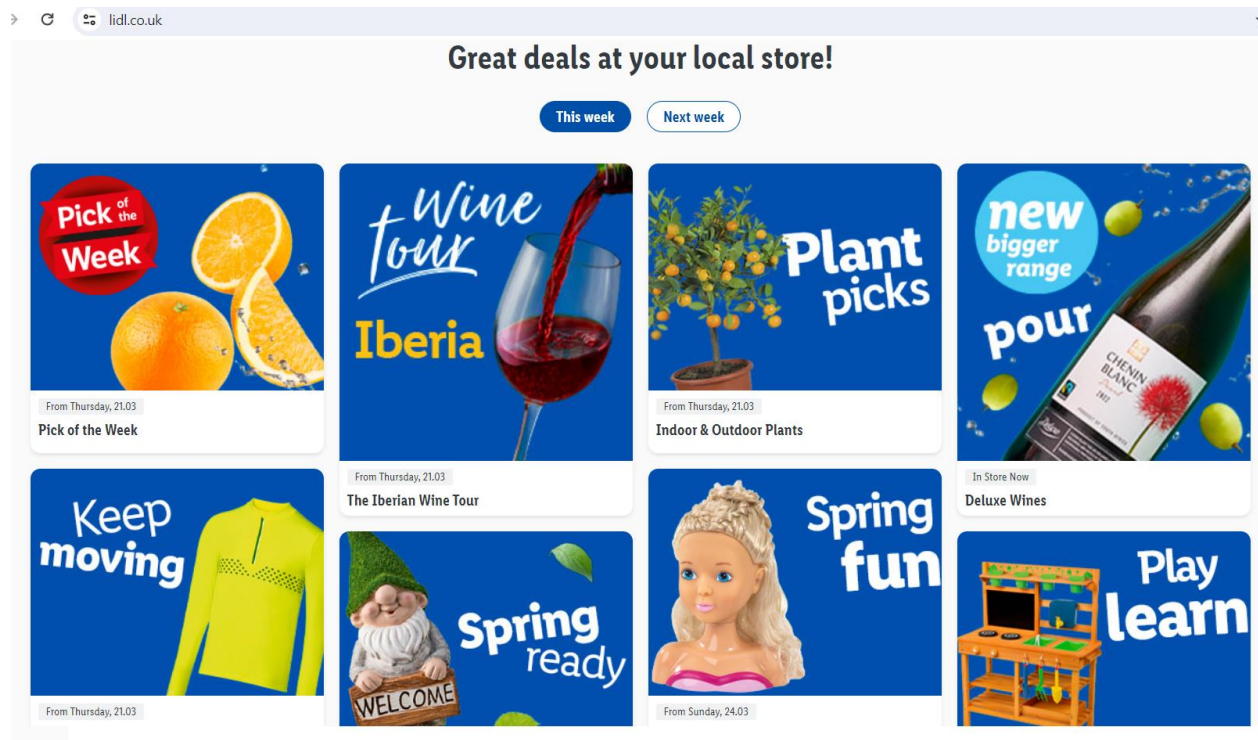


Figure 3: UK Lidl Site (Source: lidl.co.uk, 2024)

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Slogan Lidl Germany: "Discover now the online shop categories and much more!"

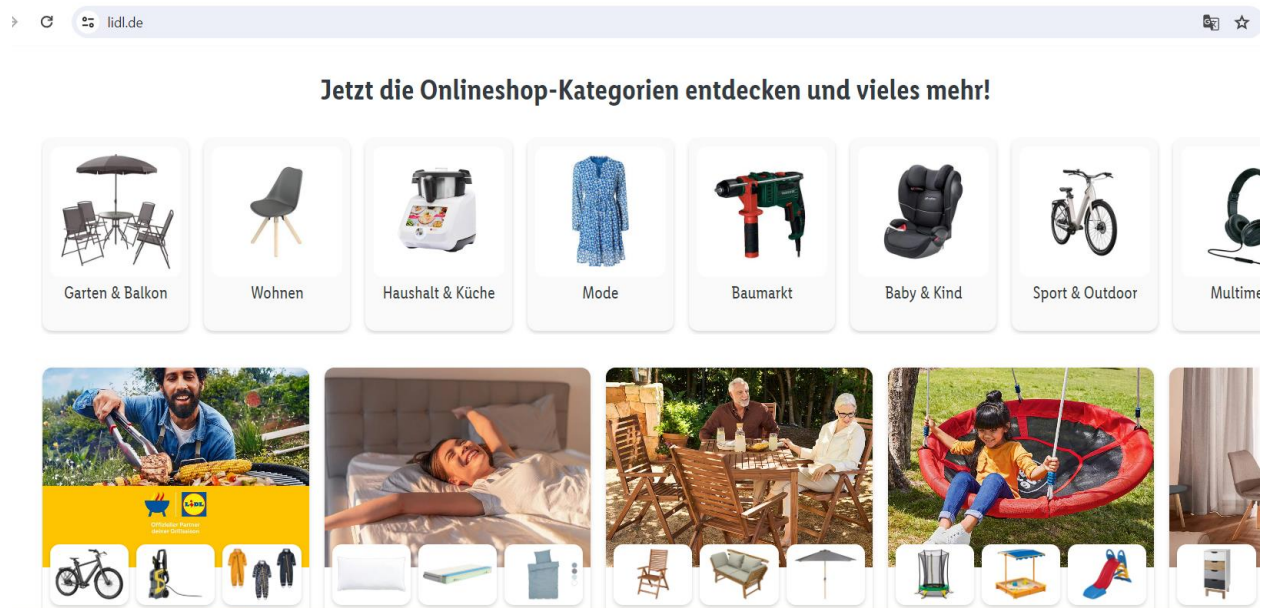


Figure 4: Germany Lidl Site (Source: lidl.de/, 2024)

CONCLUSIONS

In conclusion, for Sainsbury's, the best option for expansion is Germany, where it can maintain long-term success under the following conditions:

By respecting German cultural values.

By analyzing the competition, both before expansion and throughout the company's organizational activities.

Germany is the largest economy in Europe, with an annual compounded retail trade growth rate of 4% according to Marketline analyses. Therefore, Germany offers the opportunity for massive growth and the chance to expand across Europe over time.

Due to the increased purchasing power, Germany allows Sainsbury's to easily enter the German retail market. According to analyses published by GfK, the purchasing power of Germans is increasing by 2.8% per capita this year compared to the previous year.

After Sainsbury's expansion into Germany and demonstrating that the expansion has been a real success (following the strategies outlined above), Sainsbury's success can move to an international level, as international customers have confidence in Germany's solid economy and developed market.

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