

International Business Communication

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UK'S BRAND – BURBERRY AND ITS JOINT-VENTURE WITH CHINA'S TECH GIANT TENCENT



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INTRODUCTION

International business communication:

- Require understandable and simple language;
- Guarantees the smoothness of the process;
- Pass the culture and traditions between different countries;
- Create a diverse workplace;

Joint venture scheme offers:

- Opportunity to reach the new market;
- Minimize the cost and taxes;
- Specialized staff in other areas;
- Developed technologies;



JOINT VENTURES IN CHINA

Success factors:

- Set clear terms;
- Alignment – risk/reward strategies must be equal;
- Developed partnership;
- Flexibility – clarified differences;



Failure factors:

- Insufficient plan;
- ‘Cheap price’;
- Chinese speed of working;
- Marketing strategies;
- Level of technologies;
- Foreigner management;

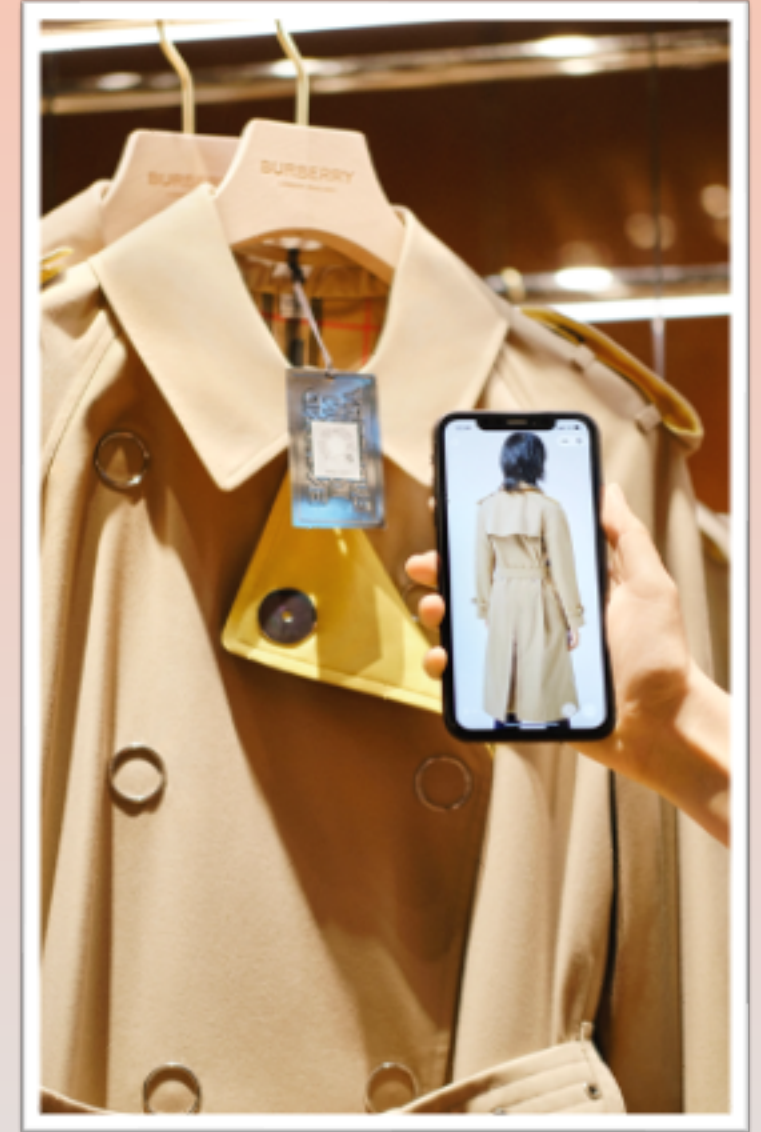


BURBERRY - TENCENT

In 2020, the UK brand Burberry made a joint venture with China's tech giant Tencent. The social retail store was opened in Shenzhen, China's Technological Hub.

All the clothes have been labelled with QR codes that can be easily scanned and reviewed by every customer.

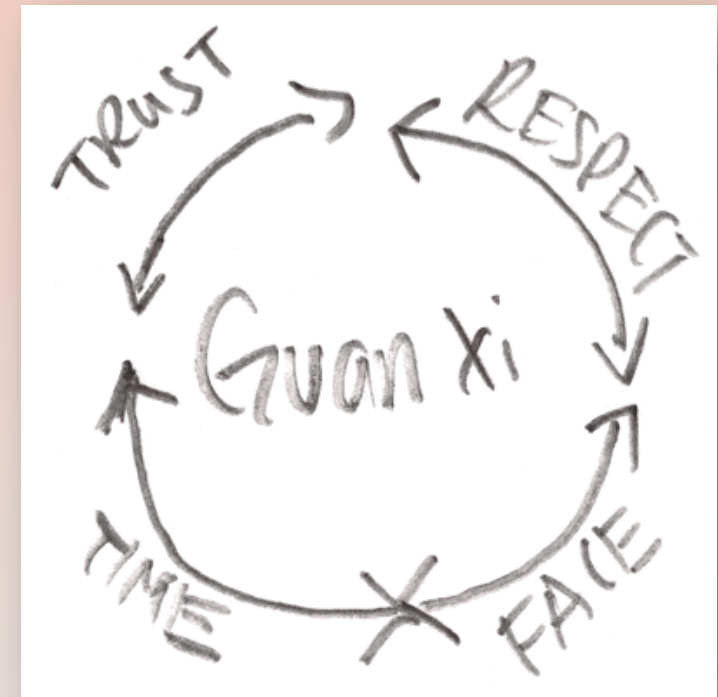
Burberry has made this decision because understands the influence of Chinese people in social media and the need for this differentiation in terms of increasing sales.



THE CHINESE BUSINESS CULTURE

It is influenced by the following:

- Confucianism – the concept of Guanxi;
- Hierarchy system – purely vertical and well-respected;
- High level of importance of face-to-face meetings;
- Unwillingness to take risks ;
- A long process of decision-making;
- Long-term relationships, including meetings at home, sports events, dinners, and drinks;



MAIN DIFFERENCES – UK/CHINA CULTURE

- Privacy is highly valued;
- Less expressed hierarchical system
- Preferable writing an email/phone call
- Long-term relationships, including pub/restaurant lunch or office meeting;

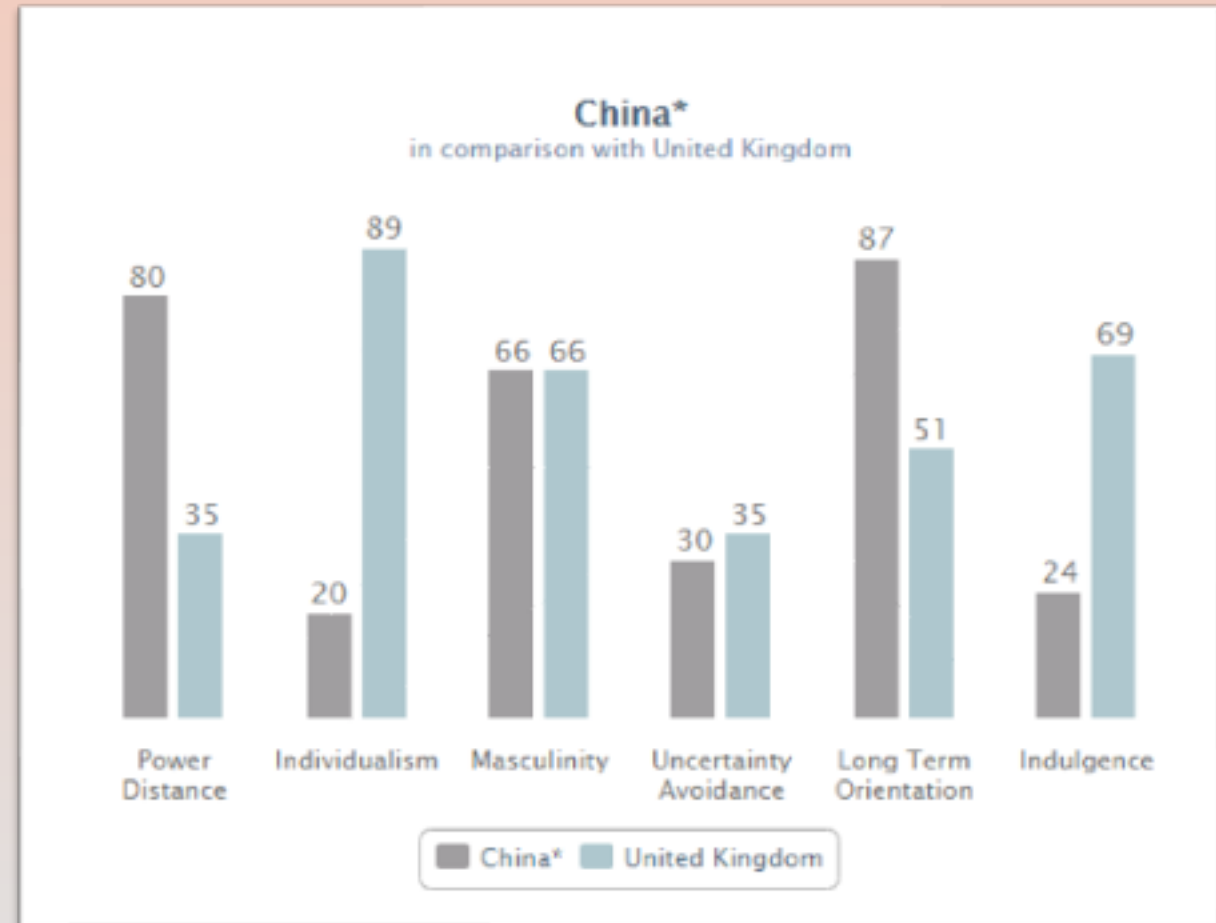


- Relationship oriented;
- Focus on the hierarchy system;
- Preferable face-to-face meetings;
- Long-term relationships, including meetings at home, sports events, dinners, and drinks;



HOFSTEDE CULTURAL DIMENSIONS: UK AND CHINA

- Power distance
- Individualism
- Masculinity
- Uncertainty avoidance
- Long term orientation
- Indulgence



RECOMMENDATION AND BUSINESS COMMUNICATION SOLUTIONS

- Mastering the laws in China;
- Treat each city as a new country;
- Take notes of what competitors are doing;
- Improve online strategy;
- The translation is not localization;



CONCLUSION

China has become a strategic market for foreign investors and many luxury brands over the last decade. Therefore, it is necessary to leave the stereotypical thinking aside, fully understand the country's regulations, and pay attention to all the cultural differences – way of thinking, value orientation, and religion.

In conclusion of Burberry's failure in the joint venture with Tencent, I found differences in mindset and stereotypes. There were recommendations and solutions taken to the brand to improve its problems at that stage.



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