

IBC HANDOUT GROUP 7

by Zixiang Ao

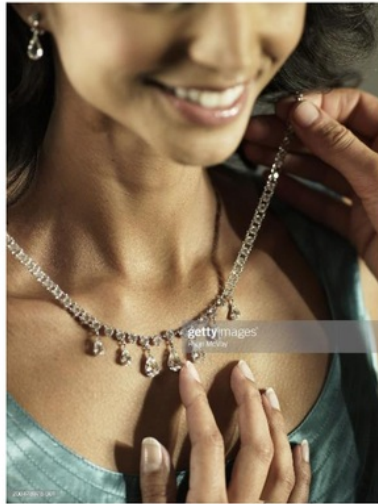
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Business Expansion of the Jewelry Group into the Asian Market

**In a perspective of international
business communication**



[DAQIAN LI 1805441]

[WEI HE 1900504]

[YOU LI 1803783]

[ZIXIANG AO 1804416]

Course: M3X9089

<International Business
Communication>

Date: 2019-11-7



Introduction

Jewelry industry is highly localized in terms of that less than 15% of the global revenue is generated by ten top leading companies (McKinsey, 2019). However, as the diamond industry shows, the jewelry industry is also becoming more globalized than ever. The global trading centers are shifting from western Europe to middle east and southeast Asia. The Asian market is not only providing consumers with high purchasing power, but also providing one of the most exclusive manufacturing centers in the world. As in 2017 China has surpassed Germany, becoming the world's largest exporter of goods (OEC, 2019).

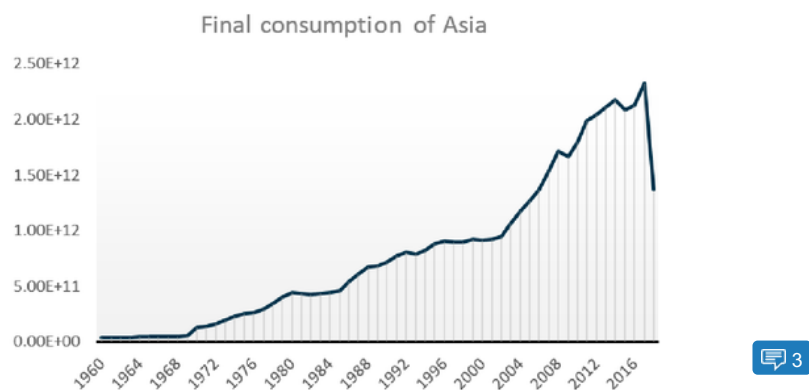


Figure 1. Final consumption in Asian countries from 1970 to 2018 in USD (2010 currency).
Source: (World Bank, 2019)

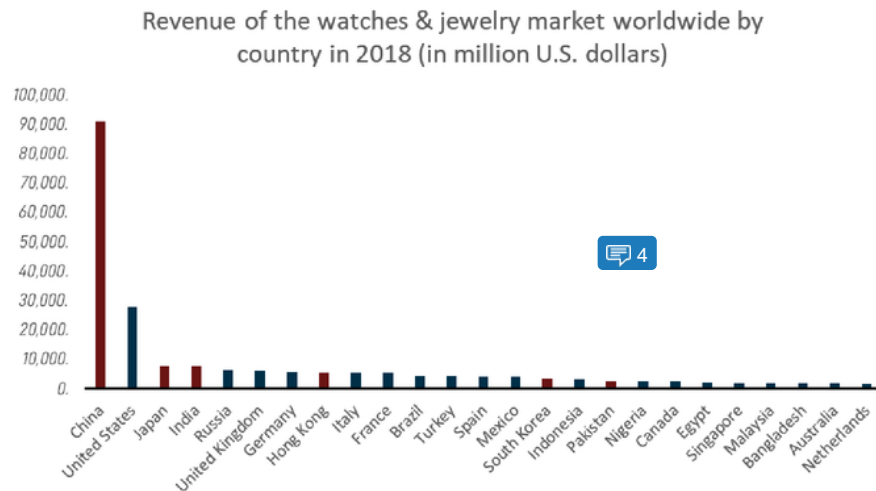


Figure 2. Revenue of watches & jewelry market worldwide by country in 2018 (in million USD). Source: (Statista, 2019)

To effectively utilize the potential benefits from entering the Asian market, a viable and effective international business communication strategy for the company is a prerequisite. Otherwise the company can fail in sustaining relationship with both local partners and local consumers.

Cultural comparisons between markets

However, the distinctive characteristics of Asian culture can make the articulation of effective international business communication highly challenging. From the Hofstede's model, the Asian countries are not only different from western countries, they also show distinct characteristic within the region (Hofstede, 2011). In east Asia, despite that many cultures have been shaped or influenced by the "Han" culture, they show distinct patterns especially when it comes to communication with western culture as argued by (Zhang *et al.*, 2005). When it comes to jewelry products, the Asians show clear different preferences compared with western consumers. For example, Jade (or nephrite) is widely viewed as a less valued gem in many parts of the world, it is however one of the most important jewelries in east Asia. The iconic Olympic game medal in 2008 made by China consists a jade ring. Inside Asia the taste on jewelry is also diverse. Indians prefer gold and conventional gemstones such as ruby. Chinese prefer green jade especially in etiquette activities. To better understand the local market as well as to more effectively cooperate local partners, it is thus important to implement effective international business communication in the group.

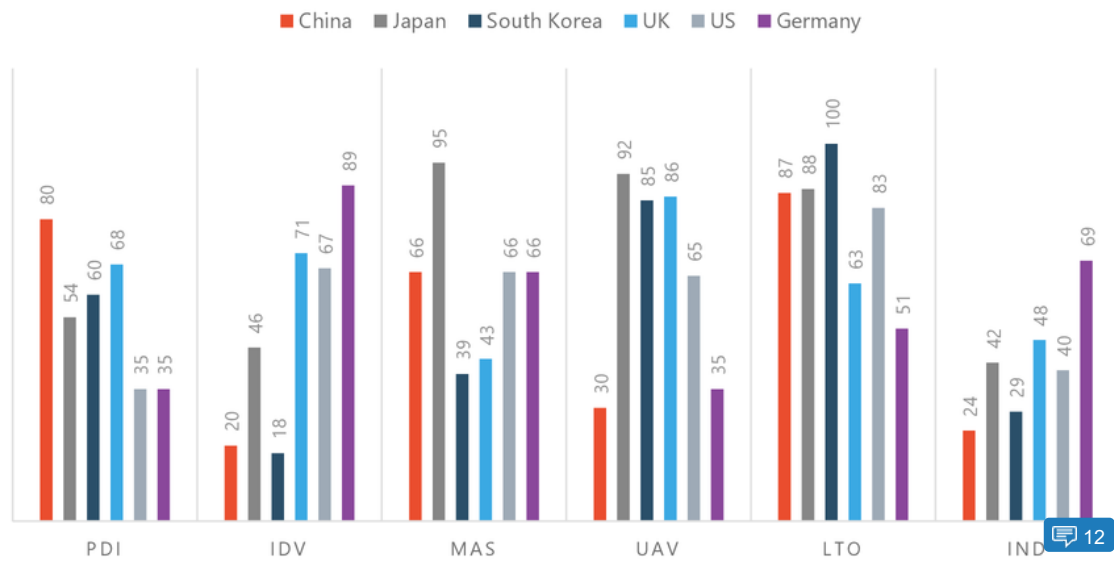


Figure 3. Cultural differences based on Hofstede cultural dimensions (own creation based on Hofstede' theories (2011))

Countermeasures to bridge cultural differences

Why developing a relationship with Asian Partners matters?

Importance of effective international business communication

Multinational corporations are culturally diverse in their workforce and in the process of handling various business activities. In the same cultural context, there are few differences in communication when people live together; but in the same way, when dealing with people of another cultural background, misunderstandings and conflicts often occur (Okoro, 2012). Thus, it will be a significant disadvantage for the group if it is not well-versed in effectively communicating with its local partners from Asian markets. Moreover, successful navigation of relationships with global partners based on an in-depth understanding of the Asian culture will bring the group with significant development prospects in Asian Markets. Applying a set of well-developed approaches in relationship development can also ensure the group to make the full use of the host markets to widen the group's portfolio by

promoting localized services and products. Thus, the group could successfully penetrate into the Asian market and even develop a competitive business edge.

Benefits of effective international business communication

The primary benefits of developing good relations with the local partners can benefit the group in the following ways. A well-developed relationship with global partners in the Asian market can effectively help the group to reduce any communication misunderstanding, and inadvertent conflicts in business operation resulted from cultural differences. For instance, problems will be commonplace between the expatriate employees and local partners due to their preferences of different communication styles. Meanwhile, the process of developing great relationships with local partners can facilitate the group to gain more knowledge and insights into the Asian markets, which can be leveraged to target local customers and tailor the regional strategies. Apart from above, the extensive experience resulted from group's successful operation, and its embrace of local cultures may give the possibility of a synergy effect when diverse talents with different cultures are working together. The cross-cultural relationship encourages individuals to collaborate internationally instead of sticking to the previous styles of working. The smooth sharing of knowledge and experience without any communication barriers has been widely proved beneficial for driving innovation and inspiring creativity that synergies the cultures of the home country and the host countries (Beamer and Varner, 2001; Schmidt *et al.*, 2007; Pikhart, 2014).

What if the group fails to develop a relationship with its Asian partners?

Possible impact of ineffective international business Communication

Each employee working for the group hopes to get respect and be recognized for their contributions. And firms with more energized employees always deliver more superior productivity and higher creativity. However, in some previous business expansion cases, the failure to develop a great relationship with the local partners result in various issues including the feeling of disrespect, the occurs of misunderstanding, the happens of conflicts, etc.(Thomas and Peterson, 2016) Over time, a negative work atmosphere will be nurtured within the organization with employees being less energized.

Also, it is challenging for the group, with no experience of operating in Asian markets, to successfully realize their ambition of business expansion in the Asian market without any facilitation of local partners. As discussed above, local partners can be helpful to help the group to gain knowledge and insights into the Asian market, so that it can reach out to the targeted customer in a more concise way. Meanwhile, with less time spending on solving communication problems due to excellent relationships with business partners, the group can harvest synergy effect if all employees are collaborating towards same goal. Thus, dealing with Asian partners with different cultural backgrounds is imperative, and the inability of the group to conduct business in a way that accommodates its local partners will significantly hinder the group from its business expansion in Asian markets.

Possible causes of ineffective international business communication

Indicated by Brislin (1990), values and beliefs, which are ingrained deeply in the cultures, have a significant impact on the recognition of other's respect and trustworthiness. As people from very different cultures working together, different values and beliefs are integrated into their way of communicating and collaborating. Conflicts often arise from employees who are stubborn with their own values and beliefs.

Apart from the differences in values and beliefs, ethnocentrism is also observed as the primary culprit behind most intercultural communication failures. Ethnocentrism is defined by Hammond and Axelrod (2006) as the sense of superiority on values, races, religions, cultures, etc. over other groups of people. An essential prerequisite of effective intercultural communication is to understand and respect cultural differences. However, ethnocentric individuals are not capable of appreciating cultural diversity, but will sometimes involve judgmental behavior in the workplace. Especially when leaders demonstrate certain ethnocentrism, a low level of team cohesion can be frequently observed.

Stereotyping denotes the inertial assumption that all members of a specific group share some particular traits, such as Asian people are always labeled as introverts (Oakes, Haslam and Turner, 1994). However, culture can only be genuinely observed until employees engage in culture-specific communications. employees may fail to understand and respect people from different cultures, and the frail of great relationships with local partners occurs as a consequence of stereotyping.

Concluding Remarks

The presentation has demonstrated the significances, approaches, and concerns over the jewellery group's international expansion into the Asian market. The significant differences between the cultures of the home market and the host market. Prudent consideration of the applicable approaches to delivery effective international business communication and possible problems will help the group to be fully prepared when accessing the Asian markets.

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IBC HANDOUT GROUP 7

GRADEMARK REPORT

FINAL GRADE

34/100

GENERAL COMMENTS

Instructor

Engagement with Literature

Presentation

You have not included a reference list on the final slide, which is a requirement of the writing academically.

You have not included citations within the slides, to highlight to the reader/audience where the information was sourced. You need to ensure that you do so for any future presentations, reports, essays etc.

Supporting Handout

You have supported areas of the discussion with some appropriate sources cited within the text. A reference list is also included on the final page, but there are a number of errors throughout.

Avoid over reliance upon one source to support each paragraph or discussion point. Research further and use the research to support the points put forward. There are some areas where you have put forward recommendations, but not supported them with sources or examples.

An example of a reference list is included below **7/20**

Knowledge and Understanding

There is evidence of some basic knowledge and understanding of the relevant theory related to International Business Communication. However, this was only displayed within areas within the handout.

You should have stated in the presentation why knowledge of the theory is important for organisations working in or moving into global markets. How does it

help?

You spoke of the cultural, communication and included supporting examples and appropriate solutions to aid transition and potentially overcome some of the issues.

8/20

Cognitive and Intellectual Skills

You displayed some analysis of the case study but this was limited with only cursory references to appropriate theory to support that analysis.

You make reference to the theory in the handout, but not in the presentation? You should appropriately explain the theory to the audience and then apply the concepts to the case study to support understanding.

8/25

Practical Application

You put forward some brief and on occasion unsubstantiated examples to support the reasoning. You needed to be using the successful journey and failure of other organisations to support your reasoning. You include general points toward this, but organisational examples would have been beneficial.

You spoke regarding Chinese culture, but you need to explain how this compares to the UK. Also, which country are you recommending? No mention of this is made in either the presentation or the handout? **7/20**

Transferable Skills for Life and Professional Practice

The group presented well and communicated the information in a mostly professional manner. There was some direct reading from the slides on occasion. You worked reasonably well as a group. However, you need to take care with timing. Practice your presentation to ensure that you do not repeat

information unnecessarily, as by doing so you have wasted time and an opportunity to fully discuss the impacts of moving into Asian markets.

You did not put forward any real recommendations, and your presentation should also have illustrated your proposed approach to developing such skills and the benefits organisations should expect to achieve as a result of understanding the importance of applying appropriate approaches to relationship building with global partners.

Proof read your slides and handout prior to submission to check for spelling, grammar and punctuation errors and to ensure that all necessary content has been included. **4/15**

Reference List – Layout Examples

Bailey, S. (2015), *Academic Writing – A Handbook for International Students*, (Fourth Edition) Oxon: Routledge

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PAGE 1

PAGE 2



Comment 1

evidence?



Comment 2

OK, but you are advising a UK based jewellery company, not a Chinese company. What impact does this information have for the UK company?



Comment 3

Firstly, does the graph relate to the jewellery business that takes place in Asia?

Secondly, if so, it is positioned somewhat prematurely in the handout. It should be used to support the points raised and guidance given.

PAGE 3



Comment 4

OK, so you need to link this to say whether the revenue is generated globally or domestically within the countries listed.



Comment 5

local where? In the Asian country? In the UK? You need to be more specific here. You also need supporting evidence and sources.



Comment 6

Never start a new section with However.



Comment 7

what type of patterns?



Comment 8

you need to briefly state what HAN is. Remember, it your role to advise the jewellery business, which includes introducing cultural issues, expectations etc.



Comment 9

is this across the whole of Asia?



Comment 10

it is a precious stone, not a jewellery.



source?

source?

Additional Comment

You need to support your discussion with the source of your research



Comment 11

What is an etiquette activity?

PAGE 4



Comment 12

You need to briefly introduce what Hofstede suggests with regard to the different dimensions and the impact on communication between different countries.

PAGE 5

PAGE 6

PAGE 7



Comment 13

But which country are you recommending? You make no reference toward a specific country.



Comment 14

Avoid numbering the reference list. The list should be presented in alphabetical order by author surname only.



Comment 15

place of publication?

there are a few elements missing or inconsistencies with the approach applied.

An example of a reference list is included in the feedback summary.