

International Business

International
Business
Communications



Presentation

LCBB6001

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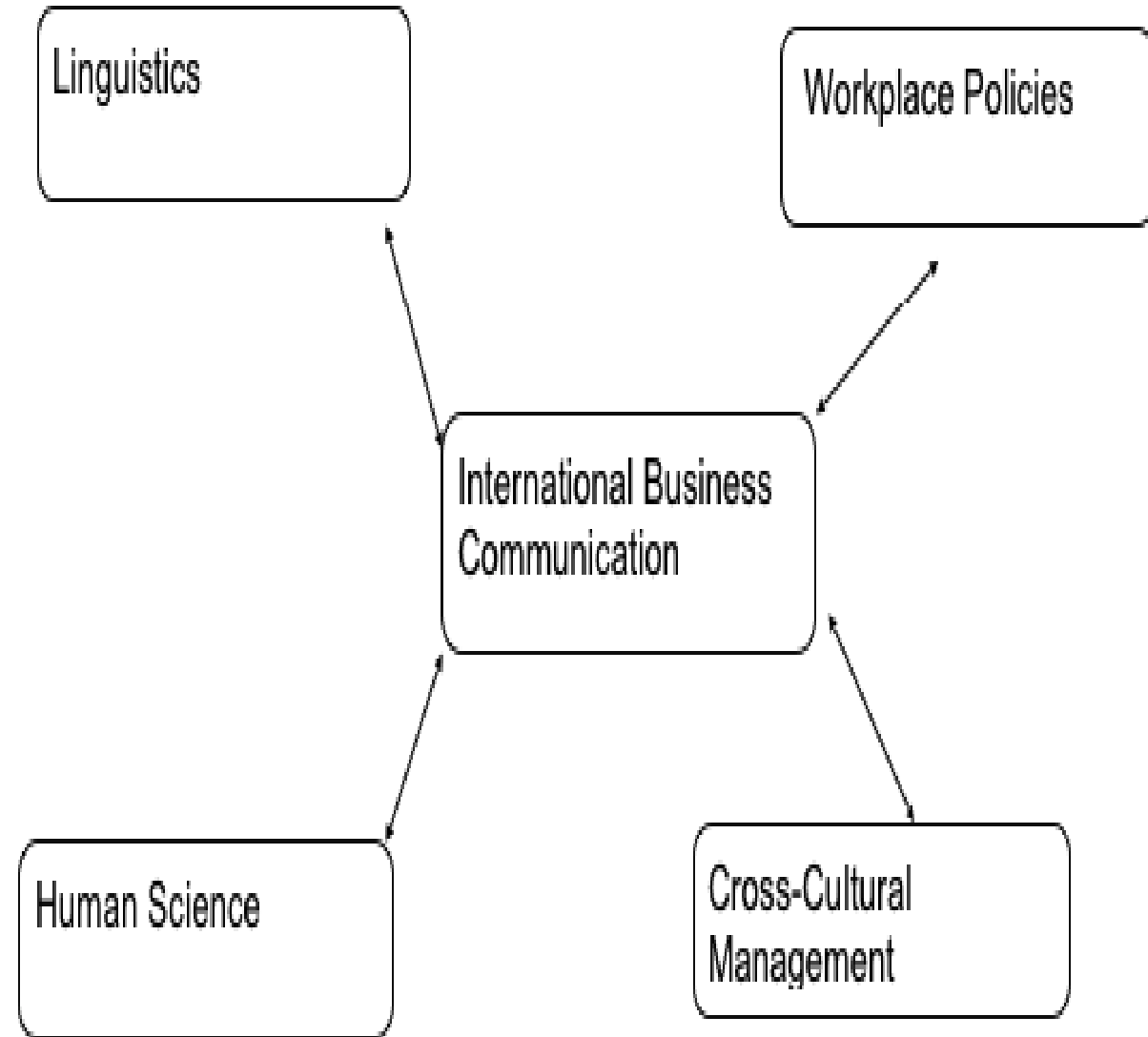
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INTRODUCTION

- International business is all about trading of products, services, technology and knowledge across the borders on the global scale (Ghauri, 2021). The presentation will focus upon the cultural similarities which support the planning process.
- The major focus will be on the expansion of multinational company TESCO of UK in Germany.



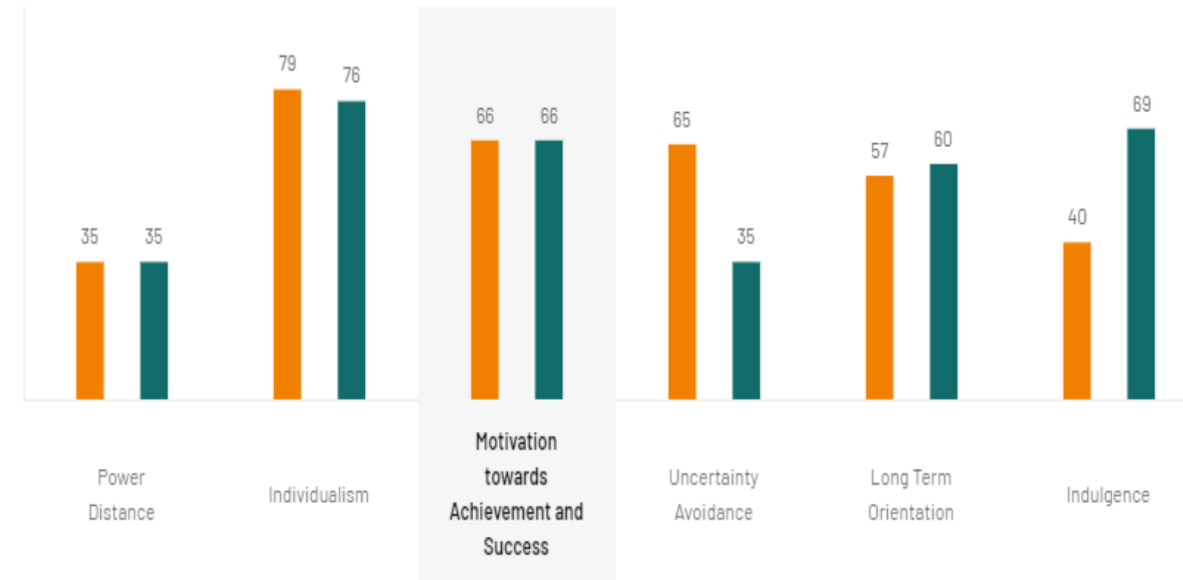
CULTURAL SIMILARITIES AND DIFFERENCES

- Among Germany and UK, there are similarities as well as differences which affect the expansion process in negative and positive way (Srivastava,, 2020). Tesco being the leading retail company of UK has now decided to expand in Germany.
- The major similarities between UK and Germany include religious values, social structure, power distance index and motivation towards the success and achievement.
- All these three similarities help the managers of Tesco to plan accordingly for establishing their management office in Germany. Both countries have similar kind of social structure.
- Education is one of the factors relatable to social structure and this factor determines that in UK and Germany, education is focussed upon sincerely (Christofi, 2021).



Hofstede cultural dimension: UK and Germany

- **Motivation towards success:** The motivation towards success are highly similar in UK and Germany which will help Tesco in effectively motivating the employee in Germany.
- **Long Term orientation:** The long term orientation is high in Germany, which states that Tesco will have to work on strategies which will enhance the cultural of Germans.
- **Indulgency:** The high indulgency of people of Germany will make lead to difficulty for Tesco to make strong emotional connection with people in Germany.



CHALLENGES FACED DUE TO CULTURAL DIFFERENCES

- As all the differences were mentioned above, the company can experience some challenges which might hinder the success rate of the company. The major challenges identified were language differences, ethnic makeup of people and work related attitude.
- The first challenge that can be faced by Tesco Company is due to language differences. As both countries have different native language, so there will be a major communication gap.
- Moreover, due to language barrier, the company will also find difficulties in communicating with the customers which could result in lower customer attraction (Gaston-Breton, 2021). In addition to this, the chances of conflict can be there.



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- The ethnic makeup of people in UK and Germany are different and due to this variation, the chances of discrimination are increased. Although, inequality is less but due to difference in the in majority and minority, the company can also face the issue of discrimination up to some extent.
- The other challenge which can be encountered by Tesco while operating in Germany is due to major difference in work related or business-related attitude.
- In UK, major focus is made on the work as the country is faster paced. This attitude demands long working hours and spend less in leisure activities. But in Germany, there is very strong as well as ethnic work life balance thereby offering more allowance to vacations.
- Due to this, the company can face issues such as the working hours of Tesco can be reduced which can slow down the success rate of company (Pattnaik, Singh, and Gaur, 2021).



INTERCULTURAL COMMUNICATION THEORY

- Intercultural communication is the communication among different people from different cultures. It is the symbolic , contextual, transactional and interpretive process in which different people from diverse cultures creates shared meanings
- When Tesco decided to establish its management office in Germany, language barrier is the top most challenges to be faced by Tesco. This communication theory signifies that the company must make changes in their communication style so that this barrier will not become major issue.
- Different people bring changes in their way of communication so that major communication gap is co9mpeltely eliminated (Hoffman, and Zhang, 2023).



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- After completely analysing all the challenges that could arise due to cultural differences, it is highly suggested that company must implement some strategies. Different and suitable strategies will help to mitigate the challenges so that Tesco will be able to gain success easily in Germany.
- It can be recommended to Tesco that the company must use different marketing approaches so that more customers will be attracted to the company.
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- . Additionally, communication agency will help Tesco in other activities like branding & brand communication, conduct of workshops, customer engagement, etc (Kurbakova, 2020).



Recommendations

- It can be recommended to Tesco that the company must use different marketing approaches so that more customers get attracted towards the company.
- the company should also provide compelling discount and offer variety of options to the customers in less prices in contrast to other similar companies in order to sustain within the marketing dynamics of Germany.
- It is also recommended to follow employment guidelines and taxation structure properly to leverage right expansion benefits.
- For expanding globally, Tesco should consider factors such as currency, affordability and financial & political steadiness



CONCLUSION

The presentation successfully provided the information of two different countries that are UK and Germany.



It also focussed upon the major similarities as well as differences among both countries.



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Appendix

- **INTRODUCTION** - The major focus will be on the expansion of multinational company of UK in Germany. It will identify the challenges faced by the business during international expansion due to the cultural differences among different countries. It will then provide suitable recommendations to achieve success in Germany.
- **CULTURAL SIMILARITIES AND DIFFERENCES**- When any company decides to establish in another country, there are several factors which invades the planning process. These factors are mainly differences as well as similarities in the culture of two diverse countries. The major similarities between UK and Germany include religious values, social structure, power distance index and motivation towards the success and achievement. All these three similarities help the managers of Tesco to plan accordingly for establishing their management office in Germany. Both countries have similar kind of social structure. Education is one of the factors relatable to social structure and this factor determines that in UK and Germany, education is focussed upon sincerely (Christofi, 2021). Most of the people of both countries are highly qualified and skilled & this can be beneficial for Tesco and in this area, Germany ranks high position. In addition to this, both countries have upper class people with high income level. Power distance index of both the countries are similar which means that inequalities and discrimination in Germany and UK are minimised. Also, the religious values of both countries are similar as these countries follow Christianity.
- Based on these similarities, the company can easily manage their work and plan accordingly. For example with similarities in motivation factor and same PDI, the company can ensure and stay motivated that their work will be appreciated in international country and with no inequality, the employees of Tesco can easily share their views as there will be no discrimination and inequality. Moreover, with similar PDI, the employees of Tesco can work properly and if any issue occurs then justice will be done without being biased towards German employees. But there are some variations also which might affect the establishment of Tesco in Germany. These differences are based on the work-related attitude, indulgence, ethnic makeup of people and language. All these differences can bring multiple challenges for Tesco Company.

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- **CHALLENGES FACED DUE TO CULTURAL DIFFERENCES**

- The first challenge that can be faced by Tesco Company is due to language differences. As both countries have different native language, so there will be a major communication gap. When the Tesco Company hires employees from the available market of Germany, there can be issues of misunderstanding, and this could lead to a major barrier. Moreover, due to a language barrier, the company will also find difficulties in communicating with the customers which could result in lower customer attraction (Gaston-Breton, 2021). In addition to this, the chances of conflict can be there.
- The ethnic makeup of people in UK and Germany are different and due to this variation, the chances of discrimination are increased. Although, inequality is less but due to difference in the majority and minority, the company can also face the issue of discrimination up to some extent. The other challenge which can be encountered by Tesco while operating in Germany is due to a major difference in work-related or business-related attitude. In UK, major focus is made on the work as the country is faster paced. This attitude demands long working hours and spend less in leisure activities. But in Germany, there is very strong as well as ethnic work life balance thereby offering more allowance to vacations. Due to this, the company can face issues such as the working hours of Tesco can be reduced which can slow down the success rate of company (Pattnaik, Singh, and Gaur, 2021). Moreover, as Tesco is a British multinational company and not being the native company of Germany, so the people of Germany might not look upon it due to less interest. In more simpler terms, it can be stated that these challenges need to be mitigated as soon as possible so that Tesco can achieve success more rapidly.

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- **INTERCULTURAL COMMUNICATION THEORY**

- In general terms, it can be stated that intercultural communication is often titled as the base for international businesses. Communication accommodation theory is closely related to intercultural communication. As per this theory, different people for different background and cultural grounds tend to adjust or accommodate their interaction or communication style. Different people bring changes in their way of communication so that major communication gap is completely eliminated (Hoffman, and Zhang, 2023). The changes made by people can be nonverbal styles or verbal styles. When Tesco decided to establish its management office in Germany, language barrier is the top most challenges to be faced by Tesco. This communication theory signifies that the company must make changes in their communication style so that this barrier will not become major issue. Communication between the members of UK with the member of Germany is a clear example of intercultural communication. Moreover, communication accommodation theory also states that by adapting to communication changes, the chances of success for Tesco company increases. It is because the team members of company can communicate properly with customers of Germany. The queries of German people can be solved thereby ensuring higher customer retention rate. This theory is the most essential theory and helps the company to ensure higher success rate.

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- **Recommendations**
- Marketing approach will not only help to strengthen the customer base but will also help the company to enhance its market presence and brand awareness. Moreover, the company must adhere to the already-set working hours of German companies and make plan accordingly. This will help the company to align their activities as per Germany's time schedule and can acquire success easily. In order to overcome the language barrier, the most effective business communication solution is that Tesco must consult to a communication agency which will help Tesco to hire required employees, reach target audiences and bridging the communication gap. The communication agency will also help Tesco to manage the operations of business and enhance the relation of company with the customers. Additionally, communication agency will help Tesco in other activities like branding & brand communication, conduct of workshops, customer engagement, etc (Kurbakova, 2020). The company must also hire professional to provide training to the employees so that employees can communicate in native language of Germany. By hiring the professions, it will be easier for the employees of company to understand the cultural values of Germany. All these strategies will be highly beneficial and effective for Tesco and help the company to achieve its aim and objectives in lesser duration of time.
- **CONCLUSION** - These factors were discussed in an appropriate manner and also identified the intercultural communication theory and example. It also identified different challenges and effective recommendations were also provided in order to overcome those challenges.

