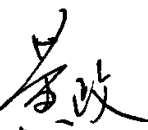


## 独 创 声 明

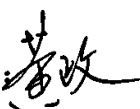
本人声明所呈交的学位论文是本人在导师指导下进行的研究工作及取得的研究成果。据我所知，除了文中特别加以标注和致谢的地方外，论文中不包含其他人已经发表或撰写过的研究成果或其他教育机构的学位或证书使用过的材料。与我一同工作的同志对本研究所做的任何贡献均已在论文中作了明确的说明并表示谢意。

学位论文作者签名：

签字日期：2007年6月1日

## 学位论文授权使用授权书

本学位论文作者完全了解学校有关保留、使用学位论文的规定，有权保留并向国家有关部门或机构送交论文的复印件和磁盘，允许论文被查阅和借阅。本人授权学校可以将学位论文的全部或部分内容编入有关数据库进行检索，可以采用影印、缩印或扫描等复制手段保存、汇编学位论文。（保密的学位论文在解密后适用本授权书）

学位论文作者签名：

导师签字：

签字日期：2007年6月1日

签字日期：2007年6月1日

学位论文作者毕业后去向：

工作单位：

电话：

通讯地址：

邮编

## 摘 要

伴随着世界经济一体化和区域经济集团化的不断深化,企业经营的国际化已成为不可逆转的时代潮流。跨国营销和国际贸易在全球经济中占据着越来越大的比重。企业在全球范围内利用资源,将其自身所拥有的资金、技术、管理等方面的优势与东道国的资源、市场、劳动力等方面的优势相结合,从事跨国的生产经营活动。在商品和市场跨越国界的同时,也跨越了文化。然而,在国际贸易和跨国经营中,由于要经历不同的文化背景和地域环境,必将遇到巨大的机遇和挑战;而能否克服由于文化差异带来的文化冲突,实行有效的跨文化管理和跨文化交流,便成了跨国经营和跨国营销是否能取得成功的关键因素。本文介绍了国际贸易中的跨文化差异现象,分析了造成文化差异和冲突的原因,论述了认识不同国家、不同地区间文化差异的途径,并对在国际贸易中,尤其是企业在跨国经营时如何克服文化差异引起的文化冲突以实现有效的跨文化交流和管理进行了研究。全文共分为四章:

### 第一章 绪论

本章简单论述了全文内容。

### 第二章 文化差异及跨文化交流

本章论述了语言和文化的关系。语言及非语言的跨文化交流中的文化差异以及荷兰学者霍夫施泰德教授的衡量民族文化差异的维度,即权利距离指数、不确定性回避指数、男性主义和女性主义指数以及个人主义与集体主义指数,并以此为基础阐述了认识不同国家和地区的文化差异的途径。

### 第三章 跨文化交流与跨国营销

本章主要从不同角度论述了跨国营销中需要注意的文化层面。

### 第四章 主要介绍了跨国营销中的跨文化管理

本章首先介绍了集中普遍的跨国营销中的跨文化管理思路,并对其各自的利弊进行了分析。最后结合中法合资广州标致的失败的跨文化管理说明了跨国营销中要实现有效的跨文化管理应注意的相关问题。

## 第五章 结论

本章就全文的观点作了总结。并简述了跨文化营销人员应当注意的一些事项。

**关键词：** 跨文化 文化差异 跨国营销

## Abstract

With the ongoing development of the integrative economy, the internationalization of enterprises marketing is becoming the irrevocable trend of the time. International marketing and international business are taking a more and more important role in the development of the global market. Companies make use of the global resources and take advantage of their finance, technology and management, combined with the resources, market and labor and other advantages of the host country, proceed production and marketing, therefore, merchandises and market are cross-bordered as well as cross-cultural. However, owing to the differences of cultural background and geographical environment, the process of international business and management will confront huge opportunity and challenge. Thus it becomes a key factor for the success of the company – whether they are able to face the cross-cultural differences well, and whether they are able to make cross-cultural management effectively. This paper illustrates the phenomenon of cultural differences in countries, and analyzes the possible reasons for the cultural differences and conflicts, and makes some research on how we can make smooth communication and effective cross-cultural management. The whole paper is divided into 5 chapters:

The 1<sup>st</sup> chapter is the introduction.

The 2<sup>nd</sup> chapter is about cultural differences and cross-cultural communication, in which the relationship between language and culture is illustrated, verbal and non-verbal communication and their relationship and the cultural differences in them are also analyzed. Hofstede's cross-cultural dimensions to measure the cultural differences in different nations are also illustrated in detail.

The 3<sup>rd</sup> chapter is regarding relationships among marketing, multinational marketing and cross-cultural communication and the development of multinational marketing.

The 4<sup>th</sup> chapter is some proposals for the effective multinational marketing and management. It introduces some general ways for multinational marketing and management and analyzes the respective advantages and disadvantages. In the end, in order to emphasize and make it more clear, it takes the example of the Chinese-French

joint venture of automobiles – Peugeot to analyze the theory in more details.

The 5<sup>th</sup> chapter is a conclusion for the whole paper, which also makes a summary for the points which cross-cultural marketing people should pay attention to.

**Key Words: Cross-culture; Cultural Difference; Multinational Marketing**

## Chapter 1 Introduction

International business developed very fast since 1970s, and it even developed faster in this century. The growth of international business is not only durative, but also in the tendency of increasing by degrees. The cooperation between countries is also developing. A company has three options: globalization, quit from the filed or bankrupt, therefore, international marketing is the way of survival for modern companies.

Marketing has many different definitions; the simplest one is trying to meet the desires and demands of customers. Customer's demands should be researched from the following simple questions: what, when, why, where and how many they want to buy. When we aware the above aspects are different in different cultures, the relationship of culture and market appears. Americans feel incredible that Chinese could eat dogs; French will go to the best restaurants with their dogs and dog could have a seat as human. Therefore, we should aware that the so-called "logical" is relative and people all over the world will buy merchandise in the amazing ways: the gutter in Calcutta has more than 70,000 video cassette recorders; in Mexico, the number of families who could afford a color TV set is much bigger than the number of those who could afford to use tap water. Therefore, we cannot measure others' requirements and standard in our way.

Cultural misunderstanding is dangerous, sometime could even have a fatal influence to the company: Muslim extremes made a big parade because the trademark of a slippers looking like the Arabic word "Allah" (Allah is the God of Muslim). This trademark was actually combined by an abstract drawing of three bells, but government finally prohibited the sales of the slippers.

Ethnocentrism could also lead to unexpected and miserable failure. Federal Express (hereafter called "FedEx") manifested their ethnocentrism at the beginning of entry of European market: all the propaganda and airway bill was in American English; the deadline of pick-up is 5:00 p.m. regardless of the fact that many European companies stop working much later, e.g., Spain will stop working at 8:00 p.m. FedEx presupposed that all the habits and off-time in Europe are same as those in US, which is equal to put a round plug into a square hole, undoubtedly its marketing will be a failure.

Lack of experience and carelessness could also be disaster. Jolly Green Giant turned to be “Intimidating Green Ogre” in Arabic. Ford was going to promote cheap trucks named “Feira” to some undeveloped Latin American countries, but it meant “ugly old woman” in Spanish; likewise, when Ford promoted the most advanced cars named “Caliente” to Mexico, it failed again since “Caliente” meant prostitute in the Mexican slang.

This paper analyzes the cultural phenomena and tells companies how to understand those people in different cultures and how to communicate with them to increase the percentage of success in the international market. Understanding of cultures is very important, for those need to contact with the foreign customers and suppliers, it is not only crucial but also mandatory.

## Chapter 2 Cultural Differences and Cross-cultural Communication

Human communication has 2 ways: verbal and non-verbal. Non-verbal communication means all the communication behavior except those verbal behaviors.

### 2.1 Language and Culture

What is culture?

“Culture is the collective programming of the human mind that distinguishes the members of one human group from those of another. Culture in this sense is a system of collectively held values.”

—Greet Hofstede

“Culture is the deeper level of basic assumptions and beliefs that are shared by member of people.”

In her book, *Language and Culture*, Kramsch (1998:27) offers three definitions:

1. Membership in a discourse community that shares a common social space and history, and a common system of standards for perceiving, believing, evaluating and acting.
2. The discourse community itself.
3. The system of standards itself.

There are many ways in which the phenomena of language and culture are intimately related. Both phenomena are unique to humans and have therefore been the subject of a great deal of anthropological, sociological, and even memetic study. Language, of course, is determined by culture, though the extent to which this is true is now under debate. The converse is also true to some degree: culture is determined by language —or rather, by the replicators that created both, memes.

To get a more clear review, please see the following illustration of the relationship between language and culture.

### 2.1.1 Language Is Part of Culture

For many people, language is not just the medium of culture but also is a part of culture. It is quite common for immigrants to a new country to retain their old customs and to speak their first language amid fellow immigrants, even if all present are comfortable in their new language. This occurs because the immigrants are eager to preserve their own heritage, which includes not only customs and traditions but also language. This is also seen in many Jewish communities, especially in older members: Yiddish is commonly spoken because it is seen as a part of Jewish culture.

Linguistic differences are also often seen as the mark of another culture, and they very commonly create divisiveness among neighboring peoples or even among different groups of the same nation. A good example of this is in Canada, where French-speaking natives of Quebec clash with the English-speaking majority. This sort of conflict is also common in areas with a great deal of tribal warfare. It is even becoming an issue in America as speakers of standard American English—mainly whites and educated minorities—observe the growing number of speakers of black English vernacular. Debates are common over whether it is proper to use "Ebonics" in schools, while its speakers continue to assert that the dialect is a fundamental part of the "black culture".

"It is axiomatic in our view that cultural learning as an integral part of language learning, and vice versa. The mere acquisition of information about foreign country, without the psychological demands of integrated language and culture learning, is inadequate as a basis for education through foreign language teaching." (Bryam et al, 1994:5)

Malinowski argues that the meanings of language cannot be separated from their language contexts. If one wants to understand what is said, he/she has to know the cultural background and life manner of the speaker. He argues that "the study of any language, spoken by a people who live under conditions different from our own and possess a different culture, must be carried out in conjunction with the study of their culture and of their environment" (Malinowski, 1923:306). From the perspective of language functions, he points out further that linguistic acts, like social acts, are under the control of social culture (Barro, Jordan and Roberts, 1998).

### **2.1.2 Language Is the Presentation of Culture**

Language and culture have very close relationships in social contexts. For the same word, people of different cultural backgrounds may have different impressions or understandings. In a word, language is the presentation of culture. Without knowledge of cultures, it is difficult to learn languages well. The more one is familiar with the targeted cultures, the more appropriately he/she can learn and use the targeted languages (Gudykunst, 1998).

Through his analysis of Hopi (a southwestern US Indian language), Whorf finds that world-views vary among cultures. He also finds that aspects of a culture's view of the world are manifest in language. Chinese culture views desks, chairs, plants, and days as separate entities that can be counted and gathered together. The Hopi, however, do not view days as separate entities to be counted but rather as a recurrence of the same entity, although slightly altered. It is said that Hopi language reflects this view by reversing a special kind of adverb to mark such units of time, and a different type of marker for entities that can be counted.

### **2.1.3 Language Is Determined by Culture**

Early anthropologists, following the theory that words determined thought, believed that language and its structure were entirely dependent on the cultural context in which they existed. This was a logical extension of what is termed the Standard Social Science Model, which views the human mind as an indefinitely malleable structure capable of absorbing any sort of culture without constraints from genetic or neurological factors.

In this vein, anthropologist Verne Ray conducted a study in the 1950's, giving color samples to different American Indian tribes and asking them to give the names of the colors. He concluded that the spectrum we see as "green", "yellow", etc. was an entirely arbitrary division, and each culture divided the spectrum separately. According to this hypothesis, the divisions seen between colors were a consequence of the language people learn, and did not correspond to divisions in the natural world. A similar hypothesis was upheld in the extremely popular meme of Eskimo words for snow—common stories vary from fifty to upwards of two hundred.

Extreme cultural relativism of this type has now been clearly refuted. Eskimos use at most twelve different words for snow, which is much more than English speakers and should be expected since they exist in a cold climate. The color-relativity hypothesis has now been completely debunked by more careful, thorough, and systematic studies which show a remarkable similarity between the ways in which different cultures divide the spectrum.

Of course, there are ways in which culture really does determine language, or at least certain facets thereof. Obviously, the ancient Romans did not have words for radios, televisions, or computers because these items were simply not part of their cultural context. In the same vein, uncivilized tribes living in Europe in the time of the Romans did not have words for tribunes, praetors, or any other trapping of Roman government because Roman law was not part of their culture.

Culture does, sometimes, restrict what people can think about efficiently in their own language. For example, some languages have only three color terms equivalent to black, white, and red; a native speaker of this language would have a difficult time expressing the concept of "purple" efficiently. Some languages are also more expressive about certain topics. For example, it is commonly acknowledged that Yiddish is a linguistic champion, with an amazing number of words referring to the simpleminded. (*The Language Instinct* by Steven Pinker, p.260.)

#### 2.1.4 Conclusion

In a word, the relationship between language and culture has been a controversial issue, among which the theory of linguistic relativity influence the viewpoint of most of the scholars. The work of Sapir and Whorf has, in this respect, brought about 2 main different views. One is that language reflects culture and constrains one's way of thinking. Another is that language cannot be decontextualized and culture is expressed through the actual use of the language.

Every language can create new words to describe new situations and objects. Therefore, it is not surprising that all languages change through time. None is static. However, they change at different rates at different times in response to new social, cultural and environmental conditions.

## **2.2 Non-verbal Communication and Culture**

The study of non-verbal communication is a relatively recent development. During the last few decades there was an accelerated research interest that has generated a substantial body of relevant knowledge. Research has helped in solving many methodological problems and in clarifying theoretical issues. Despite the recent surge of interest in nonlinguistic communication and its importance in daily lives, the knowledge about relevant phenomena in man is far from being satisfactory.

### **2.2.1 What Is Non-verbal Communication?**

Different western scholars proposed different definitions for Non-linguistic communication. Some of them are very simple, such as:

Non-verbal Communication is communication without words.

Non-verbal Communication can be viewed as occurring whenever an individual communicates without the use of sounds.

Non-verbal Communication is anything someone does to which someone else assigns a meaning.

Non-verbal Communication is the study of facial expressions, touch, time, gestures, smell, eye behavior, and so on.

—(Malandro, L. Barker et al, 1989:5)

### **2.2.2 Why Is Non-verbal Communication Important?**

The effect of non-verbal communication should not be neglected in the whole communication system.

Basically, it is one of the key aspects of communication (and especially important in a high-context culture). It has multiple functions:

a) Used to repeat the verbal message (e.g. point in a direction while stating directions. You can tell somebody that office building is in the western side of the teaching building, and point out with your finger at the same time to have a repeating effect.)

b) Often used to accent a verbal message (e.g. verbal tone indicates the actual meaning of the specific words).

c) Often complement the verbal message but also may contradict. E.g.: a nod reinforces a positive message (among Americans); a “wink” may contradict a stated positive message.

d) Regulate interactions (non-verbal cues convey when the other person should speak or not speak).

e) May substitute for the verbal message (especially if it is blocked by noise, interruption, etc.) —i.e. gestures (finger to lips to indicate need for quiet), facial expressions (i.e. a nod instead of a yes). For example, when a father criticizes his son, the son does not refute, but the son always looks at some other places and shows impatience when the father is talking. The gesture indicates that the son does not agree with his father and does not want to listen to him any more. The body language is substituting the verbal language here and transfers the meaning very clearly.

f) May contradict the meaning of the verbal message. E.g., A could say a sentence to B, “Well, you really did a good job.” But A gives C an unhappy eye contact indicating his dissatisfaction to B.

So it's very easy to see the importance of non-verbal communication. Note the implications of the proverb: “Actions speak louder than words.” In essence, this underscores the importance of non-verbal communication. Non-verbal communication is especially significant in intercultural situations. Probably non-verbal differences account for typical difficulties in communicating.

## 2.3 Cultural Differences in Non-verbal Communication

Mr. Lv Shuxiang pointed out in 1977, “There are lots of differences between English grammar and Chinese grammar if you make some comparisons. There are of course many same points, but what we should pay attention to is those differences.” (Lv Shuxiang, 1977) He illustrated three kinds of situation when referring to the differences of language, “The 1<sup>st</sup> situation is they are totally different to each other, the 2<sup>nd</sup> situation is when one has only one meaning, the other one has many meanings; the 3<sup>rd</sup> situation is

that when one has the meaning, the other has no correspondent referent.”

**2.3.1 The means and behaviors of non-verbal communication should be different according to different cultures.**

This should appear in two aspects:

Firstly, the meanings are the same but the behaviors are different. For example, western people will usually shrug for expressing helpless, disapproval or not care, but Chinese will normally shake hands or shake head.

Secondly, the behavior is the same while the meaning is different, which will be very easy to cause misunderstanding between the two parts of communication. Take an example, Chinese people are familiar with the gesticulation of “OK”, many people now even say or have the gesticulation of “OK” very easily, however, many of them don’t know the exact meaning of it, not to speak the fact that there are many different meanings for this gesticulation in different cultures. “OK” is sourced from 2 ways: the first one is said to be from the organization of the supporters of the 8<sup>th</sup> US president Martin Van Buren, the name of the organization is called “O.K. Club” (Old Kinderhook Club). Kinderhook is the place of birth of Buren. These supporters always halloo “O.K.”, which means everything goes well. The second one is said to be from the first letter of the English phrase “All Correct”. But no matter where it is from, the meaning of it is quite clear: showing agreement, permit, no problem and so on. However, the meaning of the gesticulation “O.K.” is quite different under different cultures. In China, people think this gesticulation means “Zero”; Frenchmen deem it refers to “Zero” or “No”; Japanese believe it means “Money”; in some countries of the Mediterranean Area, it is equal to “Hole”; while in Brazil and Greece, this gesticulation is a behavior of defilement.

**2.3.2 When one behavior has only one meaning, there are many meanings in another culture.**

Some behaviors have only one meaning in Chinese culture, but they have different meanings in other cultures. Take the gesticulation of the fingers of two hands meshed with each other for an example, in China, people get used to this action when talking or

giving a lecture unconsciously, it has no special meaning in this culture, but at most, it can express the mood of the speaker as leisure and relaxation. However, it is “bloating”, “boring”, “uninteresting”, “nervous” or “upset”, many different meanings in other cultures.

Another example is the connotation of “arm in arm”. In China, this behavior has different meaning for the people in different relationships. When it happens between male and female, means the two ones are lovers; for people in the same sex, they are close friends; for people in different generations, say, between younger generation and older generation, it often means the close relationship among the family or relatives, for the younger generation to show their respect to the older generations or for the older generations to show their concerns to the younger generations. But in the English-speaking countries, this action only happens between couples, lovers or people in different sexes, more often than not, for western people, this behavior has something to do with sex relationship or love affair in general. Therefore, the meanings of this simple behavior in Chinese culture are much richer than those happening in the English-speaking cultures.

### **2.3.3 No correspondent referent in another culture.**

Many gestures only exist in one or some cultures, so there will be no counterpart in other cultures. Taking an example, some English-speaking people will keep running their rings when they feel nervous or upset, some HKG and Taiwan guys will also do it sometimes, but in the mainland China, many people don't wear a ring even today after they get married, so there is not such an action. If one Chinese guy has this kind of action, others will assume this guy as “showing his fortune” since rings are made of golden or some other precious metals.

On the contrary, Chinese people have many specific requirements on the gestures of walking, standing, sitting and sleeping. Parents educate their kids to keep right and suitable gestures for different behaviors such as “walking as the wind, standing as a pine, sitting as a clock and sleeping as a bow.” This asks people to keep straight when they walk and stand. But western people have no such strict requests on all of these gestures.

### 2.3.4 Body Language Difference in Cultures

- **General Appearance and Dress**

All cultures are concerned for how they look and make judgments based on looks and dress. Americans, for instance, appear almost obsessed with dress and personal attractiveness. Consider differing cultural standards on what is attractive in dress and on what constitutes modesty. Note ways dress is used as a sign of status?

- **Body Movement**

People send information on attitude toward person (facing or leaning towards another), emotional state (tapping fingers, jiggling coins), and desire to control the environment (moving towards or away from a person).

More than 700,000 possible motions we can make – so impossible to categorize them all! But just need to be aware the body movement and position is a key ingredient in sending messages.

- **Gestures**

It's impossible to catalog them all, but one needs to recognize: 1) incredible possibility and variety and 2) that an acceptable gesture in one's own culture may be offensive in another culture. In addition, amount of gesturing varies from culture to culture. Some cultures are animated; other restrained. Restrained cultures often feel animated cultures lack manners and overall restraint. Animated cultures often feel restrained cultures lack emotion or interest.

Even simple things like using hands to point and count differ.

Pointing: US with index finger; Germany with little finger; Japanese with entire hand (in fact most Asians consider pointing with index finger to be rude)

Counting: Thumb = 1 in Germany, 5 in Japan, middle finger for 1 in Indonesia.

- **Eye Contact and Gaze**

In USA, eye contact indicates: degree of attention or interest, influences attitude change or persuasion, regulates interaction, communicates emotion, defines power and status, and has a central role in managing impressions of others.

Western cultures – see direct eye-to-eye contact as positive (advise children to look a person in the eyes). But within USA, African-Americans use more eye contact when

talking and less when listening with reverse true for Anglo Americans. This is a possible cause for some sense of unease between races in US. A prolonged gaze is often seen as a sign of sexual interest.

Arabic cultures make prolonged eye-contact. – believe it shows interest and helps them understand truthfulness of the other person. (A person who doesn't reciprocate is seen as untrustworthy)

Japan, Africa, Latin American, Caribbean – avoid eye contact to show respect.

- Smell

- USA – fear of offensive natural smells (billion dollar industry to mask objectionable odors with what is perceived to be pleasant) – again connected with “attractiveness” concept.

- Many other cultures consider natural body odors as normal (Arabic).

- Asian cultures (Filipino, Malay, Indonesian, Thai, Indian) stress frequent bathing – and often criticize USA of not bathing often enough!

- Paralanguage

- Vocal characterizers (laugh, cry, yell, moan, whine, belch, yawn). These send different messages in different cultures (Japan – giggling indicates embarrassment; India – belch indicates satisfaction)

- Vocal qualifiers (volume, pitch, rhythm, tempo, and tone). Loudness indicates strength in Arabic cultures and softness indicates weakness; indicates confidence and authority to the Germans; indicates impoliteness to the Thais; indicates loss of control to the Japanese. (Generally, one learns not to “shout” in Asia for nearly any reason!) Gender-based as well: women tend to speak higher and more softly than men.

- Vocal segregates (un-huh, shh, uh, ooh, mmmh, humm, eh, mah, lah). Segregates indicate formality, acceptance, assent, uncertainty.

### 2.3.5 Message of Space

Hall deemed that the change of space will influence communication, could strengthen the effect of communication, sometimes the influence of the space could even play a more important role than the verbal. (Hall, 1973:180)

Hall proposed the theory of space and proximity in 1950s. His famous book *The Silent Language* was published as well which was seen as a classic textbook for the research of the non-verbal communication. In the book, he illustrates a lot regarding the topic entitled “Space Speaks”.

In the book, Hall tells people that there is a space called organisms’ territory besides the physical limits of individuals. “Territoriality” refers to the behavior of people who ask some space of territory and automatically maintain the territory. Space could be helpful for the communication of information. Some scholars even coined the term as “spacial language” which means a social language by which people express their mind information based on some space.

Hall classified 3 types of space territory:

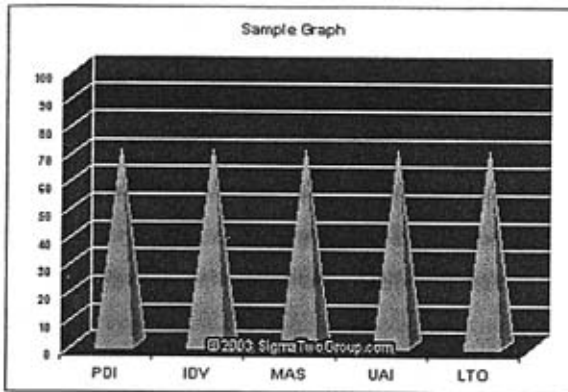
1. Fixed-feature space, like a room.
2. Semi-fixed-feature space.
3. Informal space, which is the bubble of personal space arising from the personal habits when people communicate with others.

Attitudes towards crowding are also different. Crowding is a kind of psychological feeling when people feel their personal space is invaded. The most typical environmental features resulting from culture is human himself. English-speaking people are very sensitive to the crowding while Chinese people seem much more tolerant to crowding.

## **2.4 Dimensions for Cultural Differences**

Here is the sample graph for Hofstede’s theory on cultural variability.

**Table 1 Sample Graph in Hofstede's Theory of Cultural Variability**



**Table 2 Cultural Dimension Scores for Ten Countries and Regions**

Countries	Power Distance	Individualism	Masculinity	Uncertainty Avoidance	Long-term Orientation
USA	40L	91H	62H	46L	29L
Germany	35L	67H	66H	65M	31M
Japan	54M	46M	95H	92H	80H
France	68H	71H	43M	86H	30*L
Netherlands	38L	80H	14L	53M	44M
Indonesia	78H	14L	46M	48L	25*L
West Africa	77H	20L	46M	54M	16L
Russia	95*H	50*M	40*L	90*H	10*L
China	80*H	20*L	50*M	60*M	118H

Note: H=top third, M=medium third, L=bottom third (among 53 countries and regions for the first four dimensions; among 23 countries and regions for the fifth)

\*estimated

Source: Hofstede, G (1993), *Cultural Constraints in Management Theories*, Academy of Management Executive, 7, p.91.

Cultural differences, esp. the cultural differences in nations have great influence on

the management and marketing of enterprises. Hofstede made a large number of researches on this subject. Making use of the opportunity in the European office of IBM during the period of 1965 to 1971, he made a questionnaire regarding culture to the staff of IBM in more than 50 different countries and regions, and made statistical analysis to all the results. As a result, he found that there were 4 dimensions for which people would be identified for their values. They are: 1) Power distance; 2) Uncertainty avoidance; 3) Individualism and collectivism; and 4) Masculinity and femininity. This paper will illustrate the former 4 dimensions which were popular for the analysis for cultural differences. Hofstede then transformed all the differences into indexes and proposed the famous four dimensions theory based on this. His theory was widely accepted by other scholars.

### 2.4.1 Power Distance

Power Distance Index (PDI) that is the extent to which the less powerful members of organizations and institutions (like the family) accept and expect that power is distributed unequally. This represents inequality (more versus less), but defined from the below, not from the above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. Power and inequality, of course, are extremely fundamental facts of any society and anybody with some international experience will be aware that 'all societies are unequal, but some are more unequal than others'. Individuals from high PDI cultures accept power as part of the society. Hofstede (1991) points out that "in small power distance countries there is limited dependence of subordinates on bosses, and a preference for consultation, that is interdependence between boss and subordinate... In large power distance countries, there is considerable dependence of subordinates on bosses" (p.27). Low and high PD tendencies exist in all cultures, but one tends to predominate.

**Table 3 Differences and Comparisons of PDI**

Countries of High PDI	Countries of Low PDI
<ul style="list-style-type: none"> <li>● Managements have big power and act like parents</li> <li>● Firmly monitoring management appraised positively by the subordinates</li> <li>● Believes that people don't love working</li> <li>● The subordinates accept the managements take strategies to be a law onto himself.</li> <li>● Employees are afraid the inconsistency with the managements, will not and dare not to make conflicts with managements</li> <li>● Employees don't mutually trust</li> <li>● Power of organizations are focused to minority; the subordinates should obey to the managements</li> <li>● Salaries of the subordinates and the managements have big difference</li> <li>● Supervisors have many privileges which shown by status marks</li> <li>● Elder supervisors are more respected</li> </ul>	<ul style="list-style-type: none"> <li>● Managers make decisions after discussion with others</li> <li>● Firmly monitoring management appraised negatively by the subordinates</li> <li>● Believe that people love their job and work</li> <li>● The subordinates could exchange ideas with the manager but accept the final decision of the manager</li> <li>● Employees are not afraid the inconsistency with the manager, dare to be close to the manager and discuss when there is different idea</li> <li>● Employees cooperate with each other</li> <li>● Power of organizations are dispersed instead of being ranked in pyramid</li> <li>● Salaries of the subordinates and the managers are not that different</li> <li>● Supervisors are not welcome to have privileges, they use the same toilet, parking and dining rooms as others</li> <li>● Younger supervisors are more appraised</li> </ul>

PDI focuses on the degree of equality, or inequality, between people in the country's society. A High Power Distance ranking indicates that inequalities of power and wealth have been allowed to grow within the society. These societies are more likely to follow a caste system that does not allow significant upward mobility of its citizens. A Low Power Distance ranking indicates the society de-emphasizes the differences between citizen's power and wealth. In these societies equality and opportunity for everyone is stressed.

What needs to be mentioned here is that power distance is a dimensional concept. This distance could be manifested on fortune and power, but also could be manifested on

social status and political power. High power distance culture does not mean that power distance in all the aspects are high, vice versa. Outstanding talents in arts, P.E. and science are highly respected and have highly social status, but they only own fortune in some cultures, and they have no political power in any culture. Politicians have power, high social status but no fortune; big bosses have fortune and power, but they need to pay lots of money for good deeds to get the admission of the mass and to get the high social status. Therefore, power distance could be very big in some aspects, but very small in some other aspects even in the same culture, and it's just a relative concept. (see Table 3)

### 2.4.2 Uncertainty Avoidance

Uncertainty Avoidance Index (UAI) deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Unstructured situations are novel, unknown, surprising, different from usual. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth; 'there can only be one Truth and we have it.' People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions.

In comparison with the members of cultures low in uncertainty avoidance (UA), members of cultures high in UA have a lower tolerance "for uncertainty and ambiguity, which expresses itself in higher levels of anxiety and energy release, greater need for formal rules and absolute truth, and less tolerance for people or groups with deviant ideas or behavior" (Hofstede, 1979, p.395). There is a strong desire for consensus in high UA cultures; therefore, deviant behavior is not acceptable. People in high UA cultures tend to display emotions more than people in low UA cultures. People in low UA cultures have lower stress levels and weaker superegos and accept dissent and taking risks more than

people in high UA cultures.

**Table 4 Comparison of Difference of UAI**

High UAI Countries	Low UAI Countries
<ul style="list-style-type: none"> <li>● High anxiety of people</li> <li>● Worry about future</li> <li>● Big pressure of working</li> <li>● Psychological refuse to change</li> <li>● Long stay in the same company</li> <li>● Honesty to company and employer is considered as virtue</li> <li>● Prefer to work with big organizations</li> <li>● High average age of top managements</li> <li>● Managers are employed by longevity</li>   <li>● Afraid of failure</li> <li>● Not venturesome</li> <li>● Not ambitious about individual promotion</li> <li>● Managers must be the expert of what he is in charge of</li> <li>● No breaking of company policy</li> <li>● Low tolerance to the unclearness of individuals</li> </ul>	<ul style="list-style-type: none"> <li>● Low anxiety of people</li> <li>● Prefer to enjoy the current situation</li> <li>● Less pressure of working</li> <li>● Psychological acceptance to change</li> <li>● Open to work in another company</li> <li>● Honesty to company and employer id not considered as virtue</li> <li>● Prefer to work with small organizations</li> <li>● Low average age of top managements</li> <li>● Managers are employed by other standards</li>   <li>● Eager for success</li> <li>● More adventuresome</li> <li>● Ambitious about individual promotion</li>   <li>● Managers aren't necessarily to be the expert of what he is in charge of</li> <li>● Exceptions to company policy</li> <li>● High tolerance to the unclearness of individuals</li> </ul>

Hofstede (1991) points out that UA should not be equated with risk avoidance. People in “uncertainty avoiding cultures shun ambiguous situations. People in such cultures look for a structure in their relationships which makes events clearly interpretable and predictable” (p. 116). Hofstede summarizes the view of people in high UA cultures as “what is different is dangerous” (p. 119), and the credo of people in low UA cultures as “what is different, is curious” (p. 119). Different degrees of UA exist in every culture, but one tends to predominate. (see Table 2)

### 2.4.3 Individualism and Collectivism

Individualism (IDV) on the one side versus its opposite, collectivism, that is the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after himself/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth onwards are integrated into strong, cohesive in-groups, often extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world.

Individualism and collectivism is the major dimension of cultural variability used to explain cross-cultural differences in behavior. Individuals' goals take precedence over the group's goals in individualistic cultures, while the group's goals take precedence over the individuals in collectivistic cultures. In individualistic cultures, "people are supposed to look after themselves and their immediate family only," while in collectivistic cultures, "people belong to ingroups or collectivities which are supposed to look after them in exchange for loyalty" (Hofstede and Bond, 1984, p. 419). People in individualistic cultures tend to be universalistic and apply the same value standards to all. People in collectivistic cultures, in contrast, tend to be particularistic and, therefore, apply different value standards for members of their ingroups and outgroups.

Triandis (1998) argues that the relative importance of ingroups is one of the major factors that differentiate individualistic and collectivistic cultures. Ingroups are "groups of people about whose welfare one is concerned, with whom one is willing to cooperate without demanding equitable returns, and separation from whom leads to discomfort or even pain" (Triandis, 1998, p.75). People in individualistic cultures are members of many specific ingroups (e.g., family, religion, social clubs, and profession) that might influence their behavior in any particular social situation. Because they are members of many ingroups, specific ingroups exert relatively little influence on their behavior across situations. While the ingroup may be the same in individualistic and collectivistic

cultures, the sphere of its influence is different. The sphere of influence in an individualistic culture is very specific (e.g., the ingroup affects behavior in very specific circumstances), while the sphere of influence in a collectivistic culture is very general (e.g., the ingroup affects behavior in many different aspects of a person's life).

**Table 5 Comparison of Difference on II**

High II Countries	Low II Countries
<ul style="list-style-type: none"> <li>● Employees' personal life is very important</li> <li>● "Self" is predominate</li> <li>● Psychologically independent to company</li> <li>● Small organizations are attractive</li> <li>● Calculation when getting along with the company</li> <li>● Emphasis on the right of personal life and ideas</li> <li>● More emphasis on the factors like freedom and challenge in work</li> <li>● Managers pursue the art of leading</li> <li>● Managers more emphasize self-rule</li> <li>● Managers agree on "modern" opinion, encourage employees to do things positively, organize team-work</li> <li>● Individual decision is prior to collective decision</li> <li>● Managers enjoy feast, warmth and safety as the goal of life</li> <li>● Less agreement to the answers to "important" questions</li> </ul>	<ul style="list-style-type: none"> <li>● Conditions supplied by company (training, etc.) are very important</li> <li>● "We/us" is predominate</li> <li>● Psychologically rely on company</li> <li>● Big organizations are attractive</li> <li>● Morality when getting along with the company</li> <li>● Personal life is interfered with organization; opinions are previously decided</li> <li>● More emphasis on the training and skill using in work</li> <li>● Managers pursue orderly proceeding</li> <li>● Managers more emphasize his stable status</li> <li>● Managers agree on "traditional" opinion, don't encourage employees to do things positively, no team-work</li> <li>● Collective decision is better than individual decision</li> <li>● Managers think responsibility, specialty and reputation as goal of life</li> <li>● More agreement to the answers to "important" questions</li> </ul>

The way people in individualistic and collectivistic cultures view themselves (i.e., their self-concepts) also differs. Markus and Kitayama (1991) call the different self-conceptions independent self-construals tend to predominate in individualistic cultures and interdependent self-construals tend to predominate in collectivistic cultures. (Gudykunst et al., 1994) (see Table 2)

#### **2.4.4 Masculinity and Femininity**

Masculinity (MAS) versus its opposite, femininity, which refers to the distribution of roles between the genders which is another fundamental issue for any society to which a range of solutions are found. The IBM studies revealed that (a) women's values differ less among societies than men's values; (b) men's values from one country to another contain a dimension from very assertive and competitive and maximally different from women's values on the one side, to modest and caring and similar to women's values on the other. The assertive pole has been called 'masculine' and the modest, caring pole 'feminine'. The women in feminine countries have the same modest, caring values as the men; in the masculine countries they are somewhat assertive and competitive, but not as much as the men, so that these countries show a gap between men's values and women's values.

People in high masculine values things, power, and assertiveness, while in cultures low on masculinity or high on femininity value quality of life and nurturance (Hofstede, 1980). Members of highly masculine cultures emphasize differentiated sex roles, performance, ambition, decisiveness, and independence. Members of cultures low on masculinity, in contrast, value fluid sex roles, quality of life, service, intuition, and interdependence. Both masculinity and femininity exist in all cultures, but one pattern tends to predominate (See Table 6).

**Table 6 Comparison of Difference of MDI**

High MDI Countries	Low MDI Countries
<ul style="list-style-type: none"> <li>● High income, admission, promotion and challenge of work is relatively important</li> <li>● Managers' goal is the art of leading, independence and self-realizing</li> <li>● Believing independent decision-maker</li> <li>● Motivation of success is strong</li> <li>● Success is measured by fortune and admission</li> <li>● Work is important in life</li> <li>● People prefer increasing of salaries to deducting working time</li> <li>● Company interfering with personal life is acceptable</li> <li>● Company takes many social functions</li> <li>● Big companies are more attractive</li> <li>● Pressure of work is big</li> <li>● Doubting the factors of success</li> <li>● Managers don't serve</li> <li>● Males and females have big value difference in the same position</li> </ul>	<ul style="list-style-type: none"> <li>● Relationship with managers, cooperation, friendly air and working guarantee is relatively important</li> <li>● Managers' goal isn't the art of leading, independence and self-realizing</li> <li>● Believing collective decision</li> <li>● Motivation of success is weak</li> <li>● Success is measured by interpersonal relationship and living conditions</li> <li>● Work is not very important in life</li> <li>● People prefer deducting working time to increasing salaries</li> <li>● Company interfering with personal life is unacceptable</li> <li>● Other organization takes social functions</li> <li>● Small companies are welcome</li> <li>● Pressure of work is not very big</li> <li>● More ensuring the factors of success</li> <li>● Managers are eager to be of service</li> <li>● Males and females have no/small value differences in the same position</li> </ul>

## Chapter 3 Cross-cultural Communication and Multinational Marketing

As everybody knows, different countries have different cultures. In order to clarify cultural differences in different nations, someone ever told the following story:

Some merchants are discussing cooperation and business on a vessel. Unfortunately, there is something wrong with the boat and it keeps sinking and sinking. The captain knows it clearly that the cultural backgrounds of these merchants are different, and he needs to take different ways to persuade them to dive so that everybody could escape from the accident. So he tells the Englishman, "Diving is a kind of popular sport," Englishmen advocate sports, and the English merchant dives immediately after hearing the captain's words. Then he turns to the Frenchman, "Diving is a fashion, don't you see that the Englishman has dived?" Frenchmen love to be in fashion, so the Frenchman follows the Englishman. And then the captain talks to the German, "I am the captain; everybody must listen to me, dive now! It's my order! " Germans strictly obey rules and orders, and the German follows the instruction. Next one is the Italian, "You can dive when boarding on other ships to escape from the danger, but it's not allowed on my ship!" Italians often have the mind of rebel, when you tell them not to do something, they will do it positively and on purpose, so the Italian merchant dives soon after he is told that it is not allowed to dive on this vessel. To the realistic American, the captain changes the strategies of talking, he says, "Just dive – you have Life Insurance, anyway, you won't lose anything!" Finally he turns to the last one – a Chinese guy. The captain says something of his family, "Think about it, you have a mother of 80 years old and a child of 3 years old, how can you fulfill your obligations and responsibilities if you don't dive and drowned from this ship?" After hearing these words, the Chinese merchant dives without any hesitation.

In this way, the captain succeeds in making all the people with different ideology and thoughts follow his instructions with the skills of cross-cultural communication.

This is a humor and story with some exaggeration, but it's easy to learn from the

story that the cultural differences between country and country do exist. Companies which manage cross-national marketing not only cross the borders of different nations, but also cross cultures. Therefore, it is inevitable for them to confront the cultural shocks arising from different cultures, which could be manifested in different forms in the internal management of the enterprise such as the differences of behaviors, management models, and marketing aim and so on. It will be very easy to result in some serious conflicts if we can not deal with the objective cultural differences, and thus cause the so-called “cultural shock” in the managements and staff from different cultures, which is very harmful for the management and normal and smooth running of the company and even leads to the failure of the cross-national marketing.

### **3.1 Globalization and Marketing**

#### **3.1.1 What Is Globalization?**

Globalization is the glib catchword of the modern day. These five syllables are repeated so often that you may be sick of hearing them, but we can't escape it. The force is pervasive. It affects almost every aspect of our business, public, and cultural lives. The worldwide success of products that have become household names is a proof that consumers are becoming more and more alike in their tastes and habits despite their cultural differences. In today's world companies can no longer tailor their products or services to different markets accordingly as it would put them in a disadvantage in comparison to organizations that are thinking about a more global strategy and homogenizing their products and services at a right price on a global scale.

Today the world has become a smaller place or rather a smaller market due to the advancement of technology. Technology has played a big role in giving rise to globalization, and everyone wants all the things that they have heard about or seen via the new technology. As a result today organizations cannot sell last year's models or older versions of the same products or services to the less developed countries. With the help of this technology no place or market is isolated; advancement in technology has accelerated the speed and drastically cut the cost of communication and data processing. Instantly we

come to know what's happening around the world and have the capacity to respond fast and the same is true in the business world. Organizations that have realized this know that a large global market would mean large-scale production, distribution and marketing and by standardizing this and providing products or services at reduced price not only will they capture a great market but will also be a step ahead of companies that are still following the traditional method. (Levitt, 1983) Worldwide communications carry everywhere the constant drumbeat of modern possibilities to lighten and enhance work, raise living standards, divert and entertain. Modernity has become a way of life today; consumers all around the globe want the latest products, services, movies, clothes and electronics. Both the "Hi-tech" and "Hi-touch" products are present everywhere in the market and popular with people all around the globe, from Pepsi to Coca Cola to McDonald's burgers to Levi's Jeans, to Sony Televisions, consumers around the globe are wanting the same thing and becoming more and more homogenized in their wants and needs.

### 3.1.2 What Is Marketing?

Most people think that marketing is only about the advertising and/or personal selling of goods and services. Advertising and selling, however, are just two of the many marketing activities.

In general, marketing activities are all those associated with identifying the particular wants and needs of a target market of customers, and then going about satisfying those customers better than their competitors. This involves doing market research on customers, analyzing their needs, and then making strategic decisions about product design, pricing, promotion and distribution.

In other words, the five categories listed on the MOTI home page represent the broad scope of marketing.

This view is consistent with the following definition of marketing found in a popular marketing textbook:

"Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, services, organizations, and events to create and maintain relationships that will satisfy individual and organizational objectives."

— *Contemporary Marketing Wired* (1998) by Boone and Kurtz. Dryden Press

### **3.1.3 Multinational Marketing and Its Development**

#### **3.1.3.1 Definition**

Global marketing means the process of planning and conducting transactions across national borders to create exchanges that satisfy the individuals and organizations.

It is the process of management. The principles that apply to traditional marketing apply to international marketing as well. The difference is that in international marketing (or global marketing) there are market segments that require specific marketing strategies to be created.

Global marketing is the result of globalization and technical advance. Companies can now buy supplies, produce and sell goods in countries far from their home offices. Products conceived in one country are now being manufactured and then sold in many others. For example, Sony (Japan), Nestlé (Switzerland), Bic (France), and Volkswagen (Germany) have become household words around the world.

Global marketing involves recognizing that people all over the world have different needs. Companies like Gillette, Coca-Cola, BIC, and Cadbury Schweppes have brands that are recognized across the globe. While many of the products that these businesses sell are targeted at a global audience using a consistent marketing mix, it is also necessary to understand regional differences, hence the importance of global marketing.

#### **3.1.3.2 Development of Global Market**

##### **a) Beginning Period (Initial 17<sup>th</sup> Century to Medium 19<sup>th</sup> Century)**

The form of international trade appeared before Columbia's finding America in 1492, but the marketing between countries did not really exist at that time. Cutting of colonies resulted in the international flowing of capital and brought the beginning of international marketing.

##### **b) Growing Period (End of 19<sup>th</sup> Century and Initial 20<sup>th</sup> Century)**

In the last decades of 19<sup>th</sup> century, the 2<sup>nd</sup> technology revolution symbolized as

electric power industry pushed the free capitalism to monopoly capitalism, the formation of great amount of overplus capital and the requirement of outward expansion and robbing caused the output of substantive capital, which promoted the farther development of capital internationalization. Under such background, the first generation of multinational companies (hereafter called MNC) like Bayer, Nobel and Singer® established and began to develop.

c) Wandering Period (1914 to 1938)

The 2 decades between the WWI and WWII was the low-pitched period for the development of MNCs due to the serious influence of WWI. Most of the capitalist countries like Britain, France and Germany paid attention to the recovery of domestic economy and did not expand overseas investment in general.

d) Maturity Period (1945 until now)

The science and technology revolution after WWII brought the quick development of social productivity. Economic communication between countries and regions become denser and denser and the mutual reliance between different countries is further strengthened. High-speed development of social productivity brings great amount of overplus capital in the developed countries that need to find new areas and industries for investment. Global marketing is playing a more and more important role in the development of economy.

### 3.2 Cultural Difference and Multinational Marketing

Organizations must accept that differences in values, customs, languages and currencies will mean that some products will only suit certain countries and that as well as there being global markets e.g. for BIC and Gillette razors, and for Coca-Cola drinks, there are important regional differences – for example advertising in China and India need to focus on local languages. Just as the marketing environment has to be assessed at home, the overseas potential of markets has to be carefully scrutinized. Finding relevant information takes longer because of the unfamiliarity of some locations. The potential market size, degree and type of competition, price, promotional differences, product differences as well as barriers to trade have to be analyzed alongside the

cost-effectiveness of various types of transport. The organization then has to assess the scale of the investment and consider both short- and long-term targets for an adequate return.

### **3.2.1 for Language Aspects**

Eskimos have many words for the descriptions of snow, that's because compared with the relationship between snow and other habitants in Bermuda and Hawaii, snow has been playing a much more important role in their life. Language is one of the key factors for the culture of a country because language is expressing the characteristics of thoughts; in certain cultures, what is important and what is not important could be seen from the language in the culture. The diction of language only shows the concept of the source culture; however, oral language also plays a very important role in the culture due to its constant change for which reason it could reflect the culture more quickly and more directly. Just as we mentioned in the hypothesis of Sapir Whorf that language does not only reflect the culture but also determines the culture.

Regional dialect will have definite differences sometime even in one language. For example, local people from Minnesota, Mississippi and Massachusetts may find that it is hard for them to understand each other well. Another example is between the former Western and former Eastern Germany. Eastern and Western Germany was divided for 45 years since they were divided up in 1945 and allied again in 1990. Wessi have different dictions with their brothers in the Eastern Germany, and the same diction may have different meanings.

Culture is always proud of their language. In modern society, many countries are concerning that their own language will disappear. For example, a law was passed in France in 1994, it regulated that French songs should be no less than 40% in all the music programs broadcasted during the golden time. This law had been valid since 1996. However, the law neglected the fact that English ess a kind of fashionable language in France. The law also prescribed that all the French songs should be composed by the new talents; but there was no similar requirements on the painter for them to show their gifts only because that they didn't compose songs. Critics complained that 40% of the quota was too high for the musical works because many of them were trite and similar. But

what can be seen here was that France was trying her best to protect her culture and minimize the influence arising from the shocks of English.

Disney was suited only because there were 7 pieces of merchandises being not pasted the French label among the 5,000 pieces of merchandises in all the retailing shops in Paris (Paris local regulations prescribes that all the labels should be in French).

French consumers preferred US TV programs and thus closed the French TV channels. US movies box office also took up 70% of the turnover in all the cinemas of EEC (people queued long for *Jurassic Park* while the French movie *Queen Margot* which cost high budget was reflected very ecumenic, and it was considered even worse in the overseas market.) French government thought it meant the invasion of US culture. Therefore, France spent 16 billion USD among which 3/4 of the finance was from government for the manufacturing of cultural products. EEC also required that 51% of the TV programs should be European programs. Movie audience in France needed to submit 11% taxes so that the government could be able to supply most of the fund for French film industry. All the advertisements through TV and broadcasting and all the words in school or working environment have to be in French; the counterpart of English words were also forbidden when French was workable under the circumstance.

Most of the mistakes regarding language are from the wrong translation, such as the lack of understanding of the local slang and locution and the wrong use of dialect, etc. Exxon ever owned a Japanese brand called "Esso" whose Japanese pronunciation meant the unmovable automobile. Later, they changed another name called "Enco" for "Esso" but "Enco" had completely different meaning in the Japanese pronunciation which meant the truck thrown in the cloaca. Spanish wanted to translate Budweiser into "King of Beer" but this was wrong in the gender since Cerveza (beer in Spanish) was a feminine noun in Spanish, so eventually it was translated into "Queen of Beer" instead of "King of Beer". Colgate-Palmolive promoted their toothpaste for the brand "Cue" in French, but they didn't realize that "Cue" is an erotic word in French.

Such embarrassing stories happen almost every day in different parts all over the world. One possible solution for this problem is suggested, which is converse translation. That's to say, one translator translates the source language into the target language; and then another translator translates the target language into the source language. If the

original source language is consistent with the translated source language in the content, then the translation is successful; if they are different in the content, then analyses should be made and revision will be needed, and such converse translation will be proceeded once and again until the consistent content of the original and translated source language is done. For instance, the word “entree” means appetizer in Australia, but it means main course in Israel. Therefore, if the product named “entree” is sold in the market of the two countries, then the market and price of them should be different.

Language could also be a disadvantage for promotion in the case of cross-cultural communication. In the mainland China, it means there is some problem but the problem is not very serious when people keep saying “no problem”; and it implies you will fail to fulfill the task if you cannot adopt actions promptly when people tell you “there is some small problem”. However, in China’s Taiwan, it actually means “there is no problem” when people tell you “no problem”; and “there is some small problem” means the problems are not important, just subtle ones. This difference is caused by the separation of the 2 sides of the island for more than 40 years.

### 3.2.2 for Non-verbal Aspects

Consumers all over the world have different requirements since they are growing in different cultures; and the process for meeting this or that kind of requirements is also different from place to place. Sales staff will be trapped in dilemmas due to the cultural mistakes or the neglect of the cultural differences during the process of promotion. See the following example: a US salesman goes to a Saudi Arabian officer’s home for the promotion of a product; he wants to introduce the product to the officer in detail. The Saudi Arabian officer takes a cup of coffee for the US guy, the US guy declines with politeness; the US guy sits down with his leg curled, thus, the bottom of his shoes comes out; he passes on the document to the officer with his left hand; asks all the information regarding the wife of the officer; and asks the officer for trading rudely and arbitrarily. In the first 10 minutes of this business meeting, the US salesman has offended the Saudi Arabian officer for 5 times when he does all of these unconsciously.

Saudi Arabians are very willing to meet with the buyer. However, most of the Saudi Arabian companies are famous for the delay of communication and response. People

need to pay regular visits and set up a kind of direct personal relationship if they want to have long-term business relationships. For Arabians, business is different kinds of relationships. A Canadian company and an Arabian company signed a contract which regulating the annual minimum supplying quantity for the following 10 years. After the 6<sup>th</sup> year passes, the contract and order is cancelled. Canadians declares that Arabian company breaches the contract. Obviously, the contract is cancelled by the Arabian party unilaterally. But what is the reason for this? It is because the signer of the contract in Canadian party has left the company. Later, the Canadian company even found that the products the Arabian party has bought during the passed 6 years are not used at all, but they are still purchasing them only because that they want to make the commitment they promised to the signer come true – nothing to do with the Canadian company or the lawful obligation of any kind.

In Latin America, people needs to establish the social relations before they start business; and if they don't do things like this, their customer will feel remote with them and thus the sales will fail. Resourceful people will be very willing to discuss with people about their company, their needs and their philosophy; and get to understand the other's companies, values and people in the similar way.

### 3.2.3 Religion

Religion has complicated influence on the belief and behavior of people all over the world. In Spain, Coca-Cola Company printed the national flag in the pop can; in Britain, Mc Donald also printed national flag in the food bag for kids; all their action was to raise money for the World Cup for football in 1994. Muslim was irritated by it shortly: the national flag of Saudi stood for the Arabic apothem: there is no God in this world, Allah and Mahomet is our prophet. They believed that it should be respected instead of being a kind of merchandise, and those blasphemed their belief should be thrown like rubbish. At that time, Mc Donald had printed 2 million food bags for promotion and Coca-Cola had produced 2.7 million printed pop can, however, in order to avoid troubles arising from religion, both companies greatly reduced the production of these two products immediately.

However, the shrewd merchants could also make money from religion. In the past,

sales of camera in Saudi Arabia had been not good due to the restriction of Islamic tradition. Polaroid instant photography changed this situation. Polaroid made it workable for men to take photos for their wives and daughters at home instead of going to the photo shop to take photos. What comes next was that great increase of sales volume. Hindu prohibits beer. McDonald in India sold vegetable hamburger (made of beans) and lamb. All the above proves the strength of religion.

### 3.2.4 Time

No matter how people define time and no matter how it influences people's life and work, it is one of the most common factors in all of culture. The attitude of time in one culture decides the emphasis of people's human relationships in commercial communication. In a culture which everyone is very busy and seems to have no enough time to fulfill their work, the stable and long term relationship is very hard to be established. But in a relax culture, the human relationship of long term could be established. US people hope that meeting could be started and finished as originally planned and they only discuss the important points during the meeting (linear logic) while Latin Americans is used to arriving later than plan, and they want to discuss some issues which is not in the agenda and keep the discussion when the planned meeting time has over (circular logic). Latin Americans do things not according to time, instead, they make a plan according to the order of each issue: firstly, this issue; and they will deal with next issue after the former one was finished. They arrange enough time for each issue and there is no final schedule for their plan. Likewise, Indonesians also recommends "flexible schedule", for them, time is elastic and sufficient, if there is something which is more important than the business meeting – such as festival and wedding, the business meetings will be postponed.

Americans do everything based on the beforehand plans; every issue will be organized and divided with a beginning and an end. In China who has the cultural heritage of 5,000 years, people have different thoughts on time. When the Chairman Mao Zedong was asked how he thought about the French Revolution, he replied like kidding that "it was too short and there is nothing worth commenting". Chinese people don't concern reaching a satisfactory agreement in shortest time. Instead, Chinese will spend

plenty of time to establish the friendly and mutually trustable atmosphere for the meeting; they are also willing to help to solve some problems irrelevant to negotiation.

International business will take more time than the sole domestic business. McDonald spent almost 10 years to open the first hamburger shop in Moscow. IBM spent nearly 2 years to get the license of establishment of 1 computer mill in Mexico. It will normally take 2 years to finish the negotiation of establishment of a joint venture. Most of European and Japanese companies will spend more time for negotiation than American companies; compared with American companies, European companies will spend at least double time for negotiation; some Japanese companies even spend 6 times of time for negotiations as those American companies. Americans have different expectations on the negotiation time as his foreign counterparts, which was proved in the Paris Peace Conference which ended up the Vietnam War. American negotiation representative booked rooms in a luxurious hotel while Vietnam representatives rented a villa for 2 years.

Cultures have different understandings to the definition, viewpoints and experience of time, these understandings provide the base for people's behavior. Oriental people think that future means advancement and progress; people could foresee, plan and change what will happen in the future.

But to US people, the appointment at 10:00 a.m. means that you need to arrive 5 minutes earlier than appointment and begin the formal talking at or soon after 10:00; to Germans, punctuality is only inferior to the loyalty to God – appointment at 10:00 a.m. is exact 10:00 a.m.; in Nigeria, 10:00 a.m. is only a general time and it is tolerable to be late; in Spain, many merchants will hold night parties which begin at 9:00 p.m. and finishes at midnights. Siesta time (2:00 to 4:00 p.m.) is for no commercial behavior.

There are also differences on the using of time in different cultural organizations. Linear time emphasizes plan, division of time; this kind of culture divides work into several parts and only focuses on 1 issue during a certain period of time. On the contrary, circular time emphasizes participation of people and the finish of business instead of the plan in a short time. In their opinion, time is limitless, without beginning and without end.

### 3.2.5 Space

Americans feel comfortable with the spacial distance of 3 feet (almost no touching); Mexicans, Italians and Arabic men normally stand and seat closely to their partners, and touch and hug with each other a lot. This culture believes the touch of eye to eye. However, Japanese and British want to be more spacial distance.

Left or right side also has different meanings. Words of Arabic and Hebrew should be read from right to left while most of other western language should be from left to right. This will influence the logic of the reader. Take the advertisement of washing powder for an example. The first plate is dirty clothes and soap; the second plate is the working washing machine and the third plate (in the right side) is the clean clothes. If we only change the language from English to Arabic, this advertisement seems to illustrate the process that clean clothes are put into the washing machine but the detergent makes it dirty when out. This is totally controversy with the original meaning of the ad. Another example, in Spain, Denmark, Holland and Germany, Catholic women wear their rings in the right hands rather than the left hands like those US people.

The other point shows space's difference is its historical status in the culture. In American's opinion, any building over 50 years old could be seen as a historical place; but on the other hand, they don't feel pitiful if these places were substituted by modern skyscrapers. However, European culture is very proud of their history over thousands of years. In this way, conflicts naturally take place. June of 1990, Mc Donald wanted to set up a restaurant in a building which was already 180 years old and great artists like Picasso was ever accommodated. At that time, Mc Donald had some prestige on the buildings seated in Avenue des Champs-Élysées, but Paris people announced that this building was for historical memorial and could not be entrenched. As a result, Mc Donald gave in shortly.

### 3.2.6 Color

Green refers to adventure in US and Japan, but it means reliable in China and Korea; husband wearing in green means disloyal to his wife. Black color can also have positive reaction. Dankie toothpaste is one of the best-selling toothpastes in Asia, it is packed with

the face of a Negro singer. Now both of the name and package were changed due to the protesting of American black people. Grey is impressed with cheap things in China and Japan, but in US, it is the signal of expensive, high quality and reliable.

### **3.2.7 Figure**

A careless American manufacturer placed an order of some important parts to an European supplier, he asked the delivery time to be April 7<sup>th</sup>, 1997 (wrote as: 4/7/1997), as a result, the requested order was delivered nearly 3 months later than he asked, arrived on July 4<sup>th</sup>, 1997 – Europeans use date/month/year to describe date rather than month/date/year like Americans do.

### **3.2.8 Customs and Habits**

Americans believe that the successful ceremony should be filled with humor, happiness and quick rhythm, which is completely contrary to what Japanese could understand and accept. When Japanese is awarded a group prize, very few of the members in this group want to be the honoree. Westerners' kidding beginning in the lectures is not widely welcome in oriental countries. John Condon took a good example in his lecture in 1974, that if audience were Americans, he would start with joking; if audience were Japanese, he would start with apology; since the audience that day was a blended group, he started with the apology that there would be no joking that day.

## **3.3 The Significance of Cross-culture to Marketing People**

Good understanding and awareness of cross-culture could minimize the mistakes in cross-cultural marketing.

- 1) Be sensitive to the doable and tabu.
- 2) Aware, understand, accept and respect the culture and differences of others.
- 3) Keep cultural neutrality; understand that difference is neither surely good nor surely bad.
- 4) Not try transferring the concept in one culture to another... ... people in developing countries may tell you that they do not like Americans, but that does

not mean they would not buy American goods.

- 5) Avoid the self-reference criterion (hereafter called "SRC"). SRC refers to such a concept: if I like and use this kind of product, all others will also do it; if the product is a best selling in Peoria, it will also be a best selling in Beijing. We will take the example of Texan Iced Tea's marketing in Britain to see how we can avoid SRC step by step.
  - a. Make a investigation on the cultural and environmental properties on a product which has got success and will be promoted to other markets.

Cultural and environmental properties of Iced Tea: hot and dry climate; people like sweet food and caffeine.
  - b. Compare these properties with the relevant properties in the target market  
Comparison: target market is in cold and wet climate; people there do not like sweet that much.
  - c. Record the significant difference in the properties.  
Record: Texas is hot and dry while England is cold and wet.
  - d. Change products and marketing strategies in the target market. In some cases, if the differences are too huge to manage, the best choice is to give up.

A failure to avoid SRC is Snapple juice. April of 1990, Snapple's sales volume fell to 120,000 bottles per month from 2.4 million bottles per month 1 year ago. Quaker Oats in Japan also refused to transport Snapple to Japan. The reason was that some of its popular characteristics in US were abhorred by Japanese consumers such as the appearance, sweet flavoring and so on. But Quaker was not going to change the taste of their products for Japanese market; they also neglected researching and marketing. At the very beginning, Snapple attracted millions of curious consumers by their fancy bottles and American image, but these customers did not come back again because this was not what they really loved. Other products made the similar mistakes are: Ruffles and Cheetos: Ruffles was too salty; Cheetos had too much of cheese to Japanese and Japanese hated their fingers were dyed to be orange when they ate it.

## Chapter 4 Cross-cultural Management in Multinational Marketing

In the previous several chapters, this paper has introduced the cultural differences phenomena, analyzed the causes resulting in the conflicts. In this chapter, it will emphasize on the possible solutions to the problems concerned with cross-cultural management.

### 4.1 Some Proposals

There are normally 4 kinds of basic solutions on how to deal with the problems of cross-cultural communication. Haward Permuter, who is a famous expert on the psychology, has made some summaries on the 4 solutions as 4 "centrism": Ethnocentrism, Polycentrism, Regionalcentrism and Geocentrism. We will discuss the basic solutions of cross-cultural management from ethnocentrism, polycentrism and geocentrism since regionalcentrism is considered as the first period of geocentrism.

#### 4.1.1 Ethnocentrism

"Ethnocentrism" is a commonly used word in circles where ethnicity, inter-ethnic relations, and similar social issues are of concern. The usual definition of the term is "thinking one's own group's ways are superior to others" or "judging other groups as inferior to one's own". "Ethnic" refers to *cultural heritage*, and "centrism" refers to the central starting point... so "ethnocentrism" basically refers to judging other groups from our own cultural point of view. But even this does not address the underlying issue of *why* people do this. Most people, thinking of the shallow definition, believe that they are not ethnocentric, but are rather "open-minded" and "tolerant." However, as explained below, *everyone* is ethnocentric, and there is no way *not* to be ethnocentric... it cannot be avoided, nor can it be willed away by a positive or well-meaning attitude.

To address the deeper issues involved in ethnocentrism calls for a more explicit definition. In this sense, ethnocentrism can be defined as: making false assumptions about others' ways based on one's own limited experience. The key word is assumption;

because he does not even aware that he is being ethnocentric... he does not understand that he does not understand.

An example illustrates how basic ethnocentrism is. If one goes to a store and asks for a green coat and the sales clerk gives him a blue one, he would think the person is color blind at the best or stupid at the worst. However, "colors" are not so simple. The Inuit lump shades of what Anglo-Americans call "blue" and "green" into one color category, *tungortuk*, which can only be translated as "bluegreen." Does this mean that they cannot see the difference? Just as one can distinguish between different shades (such as "sky blue" and "navy blue," and "kelly green" and "forest green"), so can the Inuit. If they want to refer to what people would call "green," they would say *tunguyortuk*, which can be translated something like "that bluegreen that looks like the color of a [conifer] tree." The point is that something so "simple" as colors has very different meanings to different people. How could an Inuk "feel blue"? Colors, after all, are only different wavelengths of light, and the rainbow can be divided in many different ways.

There are many, many examples of such differences in meanings that make life experience so unique for all the human groups around the world. For example, English has tenses built into verb forms, so English-speaking people automatically think in terms of time (being "punctual," "time is money," "make the time," etc.). But Algonquian Indian languages do not have tenses (not that they cannot express time if they wish), but rather have "animate" and "inanimate" verb forms, so they automatically think in terms of whether things around them have a life essence or not. So when Chippewa Indians do not show up for a medical appointment, Anglo health-care workers may explain this as being "present- oriented," since English-speaking normally cannot think except in terms of time frames. But this is the essence of ethnocentrism, since they may be imposing a time frame where none exists.

The assumptions people make about others' experience can involve false negative judgments, reflected in the common definition of ethnocentrism. For example, Anglos may observe Cree Indians sitting around a camp not doing obvious work that is needed and see Crees as "lazy". Westerners generally value "being busy" (industriousness), and so may not appreciate the Cree capacity to relax and not be compelled to pursue some activities of a temporary nature... nor realize how much effort is put into other activities

like hunting.

Assumptions can also reflect false positive attitudes about others' ways. For example, people in urban industrial society frequently think of Cree Indians as being "free of the stresses of modern society," but this view fails to recognize that there are many stresses in their way of life, including the threat of starvation if injured while checking a trap line a hundred miles from base camp or when game cycles hit low ebbs. False positive assumptions are just as misleading as false negative assumptions.

Examples abound around the world. When one thinks about his own experience with people from other ethnic groups and with attitudes expressed about relations with other countries, what examples come to his mind where he may have imposed his own views and feelings about life on their experience?

Everybody is ethnocentric, as all of people around the world assume things about other people's ways.

Self-determination is one of the most effective means of social change for all parties concerned. Who is in the best position for understanding what is best for them? We all make mistakes, but they are our mistakes and we have the opportunity to develop from them. If we decide for others, then they will never have the opportunity to test their own initiative in doing what is best for themselves, to develop their own judgments, and to learn from their own mistakes. Also, it is when people are denied the legitimacy of their own life goals that they may turn to radical means outside accepted practice like terrorism. We believe our most effective role is to support them in achieving their own goals where these overlap ours.

What can be seen here is that companies who adopt the ethnocentrism always have a feeling of "cultural superiority", they will manage and run the whole company under the standard of the parent company country. This works well sometimes; they have below advantages and disadvantages:

1. Advantages:
  - a) The parent company has big control and power to the branches, and there is high accordance between the parent company and the branches. The policies of the parent company could be carried on in the branches very easily.
  - b) Local employees are very easy to recruit since they will not take the high-level

titles in the company and the company has no high requirements to them;

- c) The parent company needn't pay extra training expenses for the staff they send overseas since the management model and policies of their destinations are the same with the one they ever worked with;

**2. Disadvantages:**

- a) There is a cultural gap between the local company and the parent company since the top management is sent from the parent company and the employees are from the local area. Therefore, there will be a cultural difference within the branch which may result in a failure of accordance to the parent company.
- b) There is a big limit in the career development of the local employees, which is very harmful for the enthusiasm of the local staff to wholly devote themselves to the work of the company.
- c) The most important decisions and policies are done by the parent company, so the career development of the sent management will also be limited, which will arouse difficulty to attract the most excellent talent to take the overseas position.

#### **4.1.2 Polycentrism**

Polycentrism is a model of management from the parent company to the branches decentralized planning and controlling. It admits the differences between different cultures, deems that the advances management model of the parent company may not be adapted to the branches in another country, so it follows the philosophy of "Do as Romans do when you are in Rome." Each branch has its unique management model and organization. The organization and structure of this kind of enterprises is comparatively loose, and the parent company has only limited control to the branches. The overseas branches is normally dependent in the business, the parent company doesn't directly interfere with the business of the branches, only gives them a certain goal or target (such as profits and sales overturn) of business which they need to fulfill. In the aspect of organization, the branches are basically independent companies except the key technology such as research and development, production management, market investigation, marketing strategies, branches have their own function departments.

Overseas branches also have their own strategies in the management of human resources, which is to follow the local customs. The top management and technology are taken up by the citizens of the parent company and most of the medium management and technology position are occupied by the local people by different ways, during which process they also follow the local standards, the only difference may be that it's a must that the employees need to be good at the language of the parent company country in the aspect of listening, speaking, reading and writing. In the estimation of staff qualities, branches have their own standards which are normally in accordance with local requirements instead of that of the parent company; in the rewards and salaries of employees, rewards of the parent company given to people will follow the standards of the parent company country while the salaries of the local employees follow the local standards.

In fact, polycentrism is the so-called localization management/strategies of the cross-border companies, through which production and sales of the companies could be better, say, adapt the requirements of the local market, the cultural shocks and conflicts between the local and the parent company arising from the cultural differences could also be reduced, and the local human resources could be used very effectively; but it also has some shortcomings, the following is the comparison:

**1. Advantages:**

- a) The cultural shocks between the parent company country and the branches could be greatly reduced, the products could also be suitable for the local market.
- b) More middle and high level position occupied by the local people could well influence the enthusiasm of local employees for better devoting themselves to the running of the company and attract more talents to the company.
- c) The financial expenses will be greatly reduced since most of the staff are from the local country and the salaries and welfare are following the local standards which is much lower than the cost to the parent company country given to people.

**2. Disadvantages:**

- a) The parent company has very limit control to the branches, so how to make interests adjustment between the branches and the parent company is a problem; sometimes there are even conflicts between the interests of the two ones.

- b) The highest and the most important position is always taken by the people sent from the parent company country although some of the middle and high positions are the local people of the branches, due to which there are still some limits in the career development of the local people.
- c) More requirements on the qualities of the local employees, though not that strict, say, the language ability of the parent company country is necessary, which will cause limits of the employment.

#### **4.1.3 Regionalcentrism**

Regionalcentrism is a kind of organization form which is dependent in the certain region. It is similar to polycentrism to some extent. Comparison and analysis of it would be seen in table 4-1.

#### **4.1.4 Geocentrism**

Geocentrism is a kind of organization form between the parent company and the branches, a combination of the decentralized planning and centralized controlling from the parent company to the branches.

Geocentrism thinks that the best management model and management talents should be culture-blind, ethnocentrism and polycentrism distinguish the parent company country from the subsidiary company country are not suitable. Therefore, geocentrism refuses the management that the overseas subsidiary company follows the policies of the parent company as ethnocentrism advocates, disagrees with the management that the subsidiary company fully accepts the local policies and customs in order to eliminate or greatly reduce the cultural shocks between the parent and overseas subsidiary companies. Instead, geocentrism suggests the management that company policies and managements should not be decided by the situation in neither the parent company nor the subsidiary company, instead, it recommends the management that all the policies should be done and carried on according to the special circumstances of the company located. In a word, if the policies in the parent company are better suitable for the situation in the company, then the policies in the parent company will be adopted; if the policies in the local companies

are able to run the company better, then the policies of the local companies will be adopted; if neither of the policies in both parties are suitable for the company, then new organizations and system will be established to manage the whole situation.

This kind of enterprises normally has highly complicated organizations, and often adopts the globalized standards according to different places. The establishment of stimulation mechanism is based on the combination of the global and local goals, and a large number of mutual communication between the headquarters and branches, and among different branches. Regarding the personnel arrangements, the company will recruit the most suitable person for the position all over the world. What they are concerning is whether the candidate could be competent enough for the position he will take instead of the candidate's nationality or which country he will go for the work. Therefore, anyone who is competent for the position, no matter he is the local people or from another country will not affect the employment even for the highest position if only he is fully capable. Likely, the rewards of the staff will be decided by the globalized standards of the enterprises according to the contributions he does for the whole company. The salaries and bonus of staff are also paid at the similar globalized standards, but subtle adjustment will be made according to the specific area.

From the idealized perspective, geocentrism is a beneficial way for the cross-cultural management. However, on the one hand, in practice, the required management is very complicated and asks for huge communication of information, all of which will result in the sky-high cost of managements; on the other hand, some countries have special laws and regulations saying that the managements of the multinational companies need to be localized, which is also the limits for the political feasibility, so it's not an omnipotent way which could be workable in all the cases. Generally speaking, it has the following advantages and disadvantages:

1. Advantages:

- a) The best and the most suitable talents could be found more easily and could have more options since there is no limitation on the nationality of the candidates whether it's the motherland or Amphitryon country but the selections all over the world.
- b) Adjusting measures to local conditions and choosing the unique management

model regardless of the motherland and the host country will enable the company to absorb the merits and avoid the shortcomings of both parties, which will be very good for the enterprise to meet the local requirements.

- c) Tight contacts and cooperation between the parent company and the branches all over the world will be very beneficial for both parties to have a unitive goal for the global market and keep consistent interests to avoid any other conflicts.

**2. Disadvantages:**

- a) Political risks exist for this strategy due to the laws and regulations limitation in some special countries which ask for the localization in the managements of the multinational corporations.
- b) It has very high requirements to the candidates, which will cause difficulties for the company to find the suitable person in a limited period.
- c) The similar salaries and bonus standards all over the world and the ongoing training expenses will bring huge management cost for the company.

## **4.2 Comparison and Selection of the 4 Kinds of Management Models**

As we can see, every theory has its own limitations, therefore, the company needs to have a selection to choose the one which best fits the situation in the company. We will make some comparisons and analyses of the 4 management models here.

### **4.2.1 Some Comparisons and Analyses of the 4 Management Models (See Table 4-1)**

#### **4.2.2 Selection to the 4 Management Models**

As we mentioned before, each of the 4 management models has its respective merits and shortcomings; selections of different enterprises are based on the special circumstances of the company during a certain period of time. Generally speaking, ethnocentrism will be adopted under the situation that the overseas branches ask very few matching system from the local and have simple functions (for example, when it acts as the production base of the parent company in order to make use of the local labor force and resources), and have low requirements on the cooperation from other branches, which will promise more a success for the management there and take a low cost. On the

contract, when products of the overseas branches ask many matching factors from the local, and have very complicated functions (for example, if it is not only responsible for the local production but also for the research and sales in order to meet the specific local requirements), at the same time, it needs to cooperate with other branches a lot, then polycentrism or even geocentrism will be carried on. Most of the multinational corporations will take polycentrism when they establish overseas branches, while only a few MNC will carry on the geocentrism due to the high complexity and high cost in the management.

MNC also need to have a proper understanding in the cultural differences between the parent company country and the local branches country when they make a selection of the management models. Hofstede's theory of 4 dimensions supplies people the way to analyze and know the cultural differences in different countries. When in practice, one can get a brief idea on the cultural differences in the two parties. When there is big difference in the parent and subsidiary company countries, polycentrism will be better for the management of the branch; when there is a small cultural difference in between, then the ethnocentrism will probably fit more.

**Table 4-1 Comparison Table for the 4 Management Models**

	Ethnocentrism	Polycentrism	Regional Centrism	Geocentrism
Organization Complexity	high in headquarter, low in the branches	independent to each other	dependent in the certain region	high complexity; tight cooperation
Power Centralization	headquarter centralized power	limited power in the headquarter	tight cooperation in the certain region	tight cooperation in the whole world
Feedback & control system	headquarter controls branches	adjustment based on the local	adjustment based on the certain region	global standards based on the local
Stimulation Mechanism	high stimulation in headquarter, low in branches	depends on different branches	based on the regional goal	based on the global goal
Communication System & Info. Flew	lots of instructions from headquarter to	few communications between headquarter and	few communication between headquarter and branches; lots of	huge communications between headquarter and

## Cross-cultural Factors in Multinational Marketing

	branches	branches and different branches	communications between different branches	branches and different branches
Employment	parent company people take up the key positions; host country people are in the lowest management position	parent company people take up high positions; host country people are in middle and low management position	parent company people take up high management and technical position; in-regional people are in middle and low management position	selections of the best person for the position all over the world
Cross-cultural Adaptability Training	very limited or no requirement	limited requirements to the parent company sent people; Language training to the host country	middle level training to the parent company sent people; Asking staff from both sides to speak the commercial language such as English	durative training of cultural adaptability and multi-language
Promotion Standards	parent company standards	local standards	regional standards	global standards
Salaries Standards	extra rewards and bonus to the sent people	extra rewards and bonus to the sent people; local standards to local employees	extra rewards and bonus are less due to long duration	similar rewards globally and proper adjustment based on different areas

Evidence also shows that the selection of management model has something to do with different a functional department; that's to say, different departments within the same company will probably take different management models to fit their respective work. For instance, marketing department will take polycentrism most of the time because consumers in different countries have different tastes and requirements to the products; and the main goal for the manufacturer is to meet the requirements of the potential customers, for which reason, the cultural adaptness to the local is a very helpful and necessary marketing strategy to get success in marketing.

Instead, geocentrism will be more welcome in the departments like research and development, project design since these departments are basically technological and could hardly be influenced by the cultural power, and the best way with the global standards will be easier for them to be accepted and recommended. Companies like Microsoft, Intel established their special institutions in China where attract the technical

talents all over the world to do the theoretical research and the practical application; people here will be admitted, rewarded and promoted totally on the basis of the individual competence instead of anything like nationality.

In financial and personnel departments, most of the companies will take the way of ethnocentrism so that they could control everything through submission of profits from branches, investment audition and highest personnel appointment, under which model, resolutions from the parent company could be carried on very well so that the parent company could reach her global goal, which is very good for the interests of the parent company.

What this paper needs to point out is that the management models here are not absolute. Different functional departments from different countries in different periods of time would take different cross-cultural management models to maximum their interests.

### **4.3 Analyses to an Example of Cross-cultural Management of MNC**

We hereby take the Joint Venture (hereafter called "J/V") of China and France Guangzhou Peugeot Automobile Co., Ltd. as an example to make a detailed analysis in the selection of cross-cultural management models and have some extension on the methods and means we need to pay attention to in the process.

#### **4.3.1 Background Information**

Guangzhou Peugeot Automobile Co., Ltd. (hereafter called "Guangzhou Peugeot") is an automobile manufacturer joint venture of Guangzhou Automobile Manufacturer, French Peugeot Automobile Co., Ltd., China International Trust Investment Corporation (hereafter called "CITIC"), China International Capital Corporation Ltd. (hereafter called "CICC") and Paris, Banque Nationale de France. It was established in 1985, occupying the total investment amount of 850 million French francs and the registered capital is 325 million French francs. Their shareholders are Guangzhou Automobile Group which has 46% of the shares; French Peugeot which owns 22% of the shares (mainly technical shares) CITIC which occupies 20% of the shares; CICC which holds 8% of the shares and Paris, Banque Nationale de France which has 4% of the shares. There were more

than 2,000 staff for Guangzhou Peugeot, and the company was managed by Guangzhou Automobile Manufacturer and French Peugeot together. According to the contract, the CEO was designated by French Peugeot before 1994, and there should be at least one manager from the French side from the two managers in each department. The main products of Guangzhou Peugeot are Peugeot 505 mini truck, 505 family travel car and 505 car. Up to August of 1997, Guangzhou Peugeot had an added-up loss of RMB 1.05 billion, the actual highest annual production capability was 21,000 which was far away from the expected 150,000. At the same time, there were some fundamental discrepancies on some key issues between the 2 sides, which finally resulted in the unsuccessful cooperation between the two parties. In September of 1997, the agreement was signed between the France and China sides that the cooperation between Guangzhou Automobile Group and French Peugeot Automobile Co., Ltd. was terminated. The knockdown of Guangzhou Peugeot arose from many complicated factors such as the misplay in the sculpt of cars, but one of the most important reason of the failure is that the two parties didn't deal with the cultural shocks due to the cultural differences, that's to say, it failed to have the successful cross-cultural management.

### **4.3.2 Cultural Differences between the 2 Parties of the J/V**

There were mainly 2 kinds of cultural differences in Guangzhou Peugeot:

#### **4.3.2.1 Difference of Value and Culture**

Firstly, the two parties were different on the goal and expectations to the company. At the beginning of the establishment of the company, the goals and expectation of the two parties were different though the common ground was that both of them wanted it to be profitable. The main management goal for French side was to get high profits in the short term through the establishment of the joint venture, so the French side would take all the strategy based on the short term, they put all the emphasis on the issues as the exportation of technology, equipment and parts to China in order to get the profits in a short term; but the main management goal of the Chinese side was to take the joint venture as a window which could probably bring up the automobile industry and the

development of the area or even the whole country, in this case, the emphasis of Chinese side is to promote the localization process. So what could be easily seen that the difference of management targets led to the difference of guidelines of both parties, which finally influenced the difference on the working emphasis and methods.

Difference of the way of thinking was another aspect of the difference of value and culture. French guys were very strict with the work and very eager to express their ideas, so they seemed to be very strict or even particular to the work and could not tolerate any mistake. They were the authority in the technology, had their own proposals and always very positive to share their idea with other people even regarding the management of the whole enterprise. On the contrary, restricted by the Chinese traditional culture, Chinese staff seemed to be unserious to their work which could be easily influenced by the human relationships, so their work operation was very flexible; besides, they were very weak in the development of new technology and took the zigzag way when they wanted to tell people something, and always kept silence in the conference. All those differences made the fact that the French were very strong in the management while the Chinese management seemed to be very weak, which was very bad for the operation of the joint management.

#### **4.3.3.2 Difference in the System Culture**

Guangzhou Peugeot adopted the organization of French Peugeot, emphasized on the vertical management from the top managements to the bottom staff, and focused on the specialized division and specialized cooperation. Meanwhile, the whole set of French management was also carried on within the company. The bylaws of French Peugeot were the summary based on the experience of the joint ventures in more than 20 countries all over the world, to some extent, it should be scientific and reasonable. However, the rote of the bylaws of French Peugeot caused lots of problems when they were in China due to the huge cultural difference and the basis of the enterprise management.

Firstly, most of the Chinese staff was transferred from the originally state-owned Guangzhou Automobile Manufacturing Company, for a very long time, these people worked under the environment without any external competition; people had no sense of competition and worked at their will sometimes; some workers could not obey all the

bylaws very well. Besides, machinery and equipments were not so advanced in a short time, which was another reason that people could not reach the expected requirements of work sometimes. However, at the beginning of the establishment, most of the managements and key positions of technology in different departments were French guys who wanted Guangzhou Peugeot to follow all the management model of French Peugeot abruptly; they felt enigmatical when they Chinese staff could not carry on the bylaws very well; they even remonstrated sometimes. But the Chinese staff believed that what they were doing was reasonable, meanwhile, they felt totally unacceptable to the management of French. The mutual conflicts ultimately caused the consequence of strike, as a result, Chinese government and French consulate had to come to intercede. Later, Chinese staff disclosed their mind that they could not accept the management methods of French and could no longer bear them any more.

Secondly, there would be some inconsistency from both sides on the idea of management of production and marketing. More often than not, this was very normal. But the problem was that the French General Manager would decide by himself unilaterally when there was inconsistency. Under this situation, things would be done according to the decision of the French GM in order to keep the seriousness of the policy, and it would not be revised until it could not go any further. The management was based on facts in order to avoid the direct shocks arising from the different culture and habits, and to some extent, it was good to solve the cross-cultural management, but it would also cause delays of decision-making and bring loss for the company. Such as the management to the copycat in the office was using it whenever you needed and nobody was especially responsible for the copy of documents in French way to avoid the increasing of the number of office people, and the French manager refused the proposal of having a special person to manage the machine. The machine was in the alleyway of the office and everybody went there for copying casually, as a result, some Chinese staff operated it at will and caused huge waste of paper sheets, until finally the machine had to be managed by some special persons.

### **4.3.3.3 How to Take over Cross-cultural Management**

As above-mentioned, culture is very hard to be changed in a short time, what people

can change is the attitude and understanding towards other cultures as well as the relative influence power to another culture. MNC needs to choose the suitable management model to realize the effective cross-cultural management.

### A. Selection of the Suitable Cross-cultural Management Model

This is the first MUST if the company wants to be successful in the cross-cultural managements. It was easy to learn that Guangzhou Peugeot was trying to duplicate the management in France, that's to say, the ethnocentrism was selected for the management of it. But as it mentioned before, ethnocentrism was only suitable for the enterprises which needed very few cooperation and contacts from the local and had relatively simple functions; however, it was not suitable for the MNC which asked much cooperation and contact from the local and the complicate functions within the company. Guangzhou Peugeot was a manufacturing company, a joint venture with Chinese and French sides; its main goal was to make use of the rich resources and the cheap workforce in China combining with the advanced technology to produce the automobile products which was fit for the Chinese market. Therefore, it called for lots of cooperation from the local and had complicated function such as production, research and sales. Under this circumstance, it was not a very wise way to adopt ethnocentrism as the management soul. As a result, the managements of the company had the strong feeling of ethnocentrism and believed that all their ways were correct, and refused to listen to the suggestion of the Chinese partner, and of course failed to have the effective coordination with the Chinese side. Lots of maladjustment and dissatisfaction arose and serious cultural conflicts happened within the company. What was worse was that the conflicts didn't arouse enough attention from the French side and did not get the necessary ways to remove the contradiction. Finally, it developed into the irremovable difficulty for the company and led to the strike of workers; it also badly influenced the following cooperation of the company and made the end of the joint venture.

### B. Correct Understanding of Cultural Difference, Deepen Cultural Communication

It was easy to learn that there were big cultural differences between China and France. Therefore, the differences of management and other aspects were also huge. The key to conquer this kind of difference and discrepancy was to deepen the cultural understanding and communication. Guangzhou Peugeot had some good experience on it.

Different kinds of symposiums were held to enlarge mutual understandings. To some extent, it improved mutual understanding of the two sides. But the problem was that all these measures were just superficial, and each party would only think as their normal ways of thinking instead of putting their feet into the counterpart's shoes, not to speak thinking from another perspective for the other party. So misunderstanding always existed.

### C. Strengthening Cross-cultural Training, Improving the Sensitivity of Cross-cultural Differences

Cross-cultural training is a generally accepted effective means of improving the sensitivity of cross-cultural differences of the management. Guangzhou Peugeot had some experience mainly in the trainings on language and skills which MNC could borrow:

Language is the tool for cross-cultural communication. The foreign party for Guangzhou Peugeot was French origin and French was their language. However, very few people in the Chinese party were able to speak and understand French, so there was big language obstacle between the communications in both parties. In order to solve the problem, Guangzhou Peugeot sent people to Guangzhou Foreign Language School for training, and organized different kinds of meetings between Chinese staff and French students abroad to improve their French skills. Besides, they consciously brought the introduction of French culture during the process of language training so that the trainees could have a deeper understanding to French culture and French Peugeot's culture. More French language trainings were held in the company so that more people could benefit from it; they tried their best to make normal staff be able to communicate with the French staff directly.

Regarding the skill training, Guangzhou Peugeot contacted with the special schools every year and sent relevant people to update their skill and mind on production and management to enlarge their development potentiality. Furthermore, they sent the backbones of technology and management to French Peugeot to get corresponding training. In this way, these people, on the one hand, more directly learnt the management and technology in French Peugeot; on the other hand, deepened the understanding to the culture of French Peugeot, improved their application ability of French language, all of

which were very beneficial for mutual cooperation.

However, there were also some shortcomings in the training of Guangzhou Peugeot, mainly regarding the fact that they only had training to the Chinese staff towards the French culture, but neglecting the training to the French staff towards the local culture, which was a reason that the French staff could not understand Chinese partners very well. Communication and understanding were mutual and the happy cooperation needed the hard working from both sides. Unilateral training was not enough for the success of the enterprise.

In a word, cross-cultural management in MNC is not an easy job; the failure of high percentage of international joint ventures has direct relationship with cross-cultural management. The most important thing for a foreign partner is to always remember that we are the foreigner of this area, and we should not take our ways of thinking here as granted because it will probably fail to work in other places. Otherwise, it is doomed to be a failure.

## Chapter 5 Conclusion

Cultural difference is everywhere, regardless of the difference could either lead to the failure in partial market or even result in a disaster to the global market. These differences could be seen in the daily language people used. The 15 countries in EU adopt 11 different languages to be their official language for EU. At the beginning of Coca-Cola entered Chinese market, the translated Chinese name is “苦口蝌蚪”, which means “bite the wax tadpole”, the better translation “可口可乐” means “bring happiness to your mouth”, which was adopted after many market investigation. Those non-verbal cultural differences which are difficult to aware are also important. For example, French will kiss the cheek with each other for greetings. However, if kiss only happens in one side of the cheek, it is not enough because it will be seen as a kind of insult. In Thailand, touching of one's head is not allowed, and passing things above one's head is also impolite. The significance of such non-verbal marks is very different from culture to culture. Sometimes such mis-used non-verbal marks could bring people great unexpected troubles though they do it with good wishes. For example, in order to celebrate the Mexican national day, two Mc Donald's in Mexico city printed the drawing of national flag in the paper cup padding to show their congratulations. What came next is that authorities came to these tow fast food shops and closed them and confiscated all the disrespectful padding.

Even for those necessities of daily life, people in different places have different idea. There is no such a standard or viewpoint which everyone in this world could accept. In US, T-shirts and jeans are the casual wear, people with such apparel are those who do not care about the social status very much. Therefore, it is found that Americans pursuit freedom and unbending; but situation in Russia is totally different. Great sales of blue jeans and t-shirts are telling people that those who wear such apparel know the fashion very well and they concern about the social status very much. Therefore, Americans and Russians, their motivations of buying the same kind of wear are different, but both of them are reasonable if we see it from their own cultural perspective. In India, people accumulate jewellery as much as possible, neither because they want the feeling of safety,

nor because they want to keep value of the expensive metal. Their purpose is very simple: to show their social status via jewellery.

The well-known story "blinds touching elephant" reveals that people will get very different conclusions on the same issue if they are from the different cultures. People from a different cultural will even feel very hard to understand the simplest phenomenon in another culture. People from collectivism feel surprised when they learn the story of "twelve disciples" in Bible. They could not understand why the 12 common people could be the challenge of the authorities and judge; and they always have the tendency that some member in the jury will betray the whole jury or express his denial to break the consistency of the whole jury. On the other hand, nepotism is, in the end, a kind of favoritism. This is illegal and filthy in US; but in Latin American countries, it is an obligatory responsibility to give special cares for one's friends and relatives.

Even the daily communication of people talking has great differences from place to place. Misunderstanding of such differences could be the root of failure. In Denmark, people's talking is mainly for keeping friendly atmosphere, therefore, it is impolite if one intends to explain something or raise questions to others; in Sweden, people's talking is to communicate information and express one's real feeling, so people will keep silent if he does not have something important to talk. Therefore, in Denmark, people need to keep conversation going and in Mexico, people will give regards to the families of others, and in Arab no one needs to do like this. All of these are the examples to show the different attitudes to talking.

In some cases, the single company could not control the situation. British business paid high cost for the political tension between Britain and Saudi Arab. Babcock International Engineer Corporation bore the loss of USD27 million by the end of 1996 due to the orders from Arab decreased sharply. Moreover, many other British companies believed that they were also punished by Saudi Arab because British government gave up exiling Mahomet AS who has dissidence with Arabic government. Explosion happened to Riyadh on November 13<sup>th</sup>, 1995, Saudi declared that 4 people has disclaimed to be responsible for this accident, and they admitted that they were supported by the foreign Muslim organizations, and Mahomet A.S group was one of the four. Saudi government hoped to restrict the foreign agitator for the sake of domestic stead (Mahomet's

organization always use picture fax or internet disclosed and rebuked the corruption of Saudi Royal). British government wanted to exile him but this irritated some human right organizations, and the Court of Cassation rejected the order of exiling because they thought exiling would be of great danger for Mahomet's person security.

Other British companies like BBC were also influenced. BBC's Roman branch broadcasted a severe editorial for criticizing Arabic human rights record, which lead to the hookup of BBC's Arabic programs. Besides, companies like British Space Industry Corporation, GKN, Rolls- Royce and Vickers, some of them had signed some contracts with Saudi, or they were having the intention to sign big amount of contract, but all of their interest in Saudi reduced sharply without exception, among which British Space Industry Corporation had biggest loss, because in their revenue USD10 billion, 1/3 is from the weapon exportation to Saudi. However, in this case, companies could not do anything to change the situation; what they could do was trying hard to adapt to the circumstance.

Successful case in the management of cross-cultural difference was like Chrysler's entry in Japanese market. Automobile giants in Detroit refused to export the right-side-driving automobiles to Japanese market for a long time, later, they began to export in huge amounts. For Americans, Neon of Chrysler was very nice; but Japanese media criticized it as "killer of Japanese car". No matter how Japanese called it, Neon right-side -driving car was introduced to Japanese market in 1996. Neon was seen as a kind of trial for American cars to Japanese market to test the competitive ability of American automobiles. US automobile giants tried many different ways to enter Japanese market since the signing of US Japanese Automobile Trade Agreement. They spent millions of USD to establish the service and sales channels in Japan. Neon is a milestone to prove the coming of multi-type products competing.

Chrysler worked very hard to explore Japanese market. They spent 100 million USD to establish a small scale sales network at the beginning of their entry; 4 months later, Chrysler invested another 10 million USD in Kanagawa County to set up an automobile testing and parts centre. Chrysler spent 180 million USD for the development, marketing and sales of right-side driving automobiles in Japan and other countries. By the end of 1996, Chrysler planned to promote 5 types of right-side automobiles in Japan, among

which 3 of them were jeep and other two ones were Neon and Voyager respectively.

Neon's target market was the biggest part in Japanese automobile market, the cars market. Japanese purchased 3 million cars each year, which took up half of the whole Japanese automobile market, so the competition was also very intensive. Neon cars had intensive competition with Corollas of Toyota and Civics of Honda. Its target sales in 1997 was 8,000 cars but its actual sales volume was 20,000; only inferior to Corollas' 340,000 and Civics' 121,000, got the top 3<sup>rd</sup>, which was very fruitful. Anyway, the shares of imported cars in Japanese market were only a very small part in 1997, only 4 kinds of car had sales volume over 10,000, they were Golf of Volkswagen, Benz, Opel of GM and Cherokee of Chrysler.

Chrysler had to persuade the distributor to purchase its products before it persuaded Japanese customers to buy the car. At that time, Chrysler only had 15 distributors in Japan, which was much less than 1,800 distributor of Honda. The VP for Marketing in Japan advised that increasing of distributors was the most urgent affairs for the three biggest automobile manufacturers in US. Automobile manufacturers in US needed to, firstly, persuaded the Japanese distributors to promote and sell their products heartedly, especially for those big distributors who sold many different brands at the same time. In fact, 80% of the sales volume for Cherokee in 1997 was done through the distributors of Honda. Therefore, it was very necessary to give the distributors some training and inspiration to enlarge the sales volume of US cars.

In the first beginning 3 months, Chrysler invested 5 million USD for advertisement, their target customers were those young ladies between 24 to 36 years old and the consumer group between 30 to 49 years old who bought car the first time in their lives. 70% of the budget in advertisement was for TV advertisement, and form and content of the advertisement were similar to the US advertisement, the only difference was that the message was changed to "Konichiwa, Neon desu" (means "Hello, I am Neon").

Neon was welcome by the Japanese customers. It had the unique design of the front body, the shape and size of the car were also very suitable for the actual situation in Japan, the most important thing was that the capability of the car was the standard modernized such as the double SRS, which also drew the special attention of Toyota. One of the news commentator said that the imported cars had got great progress because it brought very

interesting products. If it could get some market shares from Toyota, Nissan or Honda, it would be a gate for the big sales volume to Japan.

In a word, obeying to the three important principles in the cross-cultural marketing is very necessary:

Firstly, realizing that the overseas customers are different from the domestic customers on the method and extent of apperceiving, motivation of their behavior or the belief and expectation to future. Identifying, understanding, accepting and respecting different cultures are not only necessary but also very important. Preparation of two different ways for communication and management in a foreign country is very indispensable. Presupposing of the same culture as the domestic market is dangerous and unworkable. Presetting of impression that the acceptance in his own place could also be acceptance in another place is fallacy. Seemly similar behaviors could have totally different meanings. Marketing strategies should be adjusted timely according to the cultural characteristics of the target customers; respect should be given to each of the customers. Cultural differences exist even between Americans and British. Therefore, envisaging to the cultural differences is the only proper way, and taking for granted that the way in one country is also workable in another country is wrong.

Secondly, keeping neutrality among different cultures is necessary. Cultural difference does not mean which culture is better or superior to any other culture. Some of the customs or habits in another country may be particular, nonsense or even cruel to you from the perspective of pure morality, in such circumstance, it is very important for the marketing people to aware that they are only for business affairs whose task is to expand market and customers instead of being cultural ambassador of any kind to transfer people's value and worldview to his own standards and traditions. Moreover, people will look at marketing people's standards and habits just like the marketing people look at theirs, and it is unnecessary for the marketing people to adopt the local culture. What the marketing people need to do is to proceed his marketing actions based on the acceptance and respect of the local culture.

Thirdly, high sensitivity should be drawn to the fixed standards, habits and customs as well as the taboos in the target culture, which is very important for the marketing people to understand what kind of influence/effect his behavior will have to the target culture.

The marketing people may feel very uncomfortable some time in this case, but this is what they have to follow. It is a necessity for the company with different cultural background to be tolerant to the culture of the other party/parties to reach a success for the company, to have a mutual beneficial result and establish the long term business relationship. It is also the best way to express one's interests, and show his respect, approval and acceptance to the culture of the other party to establish the bridge for communication for different cultures.

Marketing people for international business should be very open minded and tolerant to different cultures and try their best to adapt to different cultures.

## Acknowledgments

Years of work on cross-cultural communication have produced within me a great appreciation for many individuals. As Robert F. Kennedy once stated, "Some men see things as they are and ask, Why? I dream things that never were and ask, Why not?" I am very grateful to my tutor Prof. Zhang Deyu and Prof. Liu Rushan for enduring many questions of mine. With Prof. Zhang's superior guidance, I was able to look in the best places for the answer for the Cross-cultural Factors in Multinational Marketing. Prof. Zhang Deyu and Prof. Liu Rushan offered a great amount of grammatical and source information assistance for the writing of this dissertation, without whom, I would still be attempting to perfect the content. I wish to thank Prof. Zhang for believing in me long before I ever believed in myself. He was willing to see beyond my peculiarities to my potential, thank you.

I also want to show my heart-felt thanks and appreciations to my classmates Ms Wang Lianlian, Ms Li Pengbo, Ms Songxia and Ms Li Renqing, without whose continuous assistance I would be still worried about all kinds of updates and news for keeping moving forward for this dissertation.

Finally, I wish to thank my parents and my husband who have been giving me so great help and support through the years of education and the piles of housework as well as the education and taking-care of my daughter. Thanks to their love and confidence, the long hours' sifting through journals and theories was productive.

## References

1. Argyle, M. "Intercultural Communication", in M. Argyle (ed.) *Social Skill and Work*, Methuen, 1981.
2. Baker, Michael J. "Globalization Versus Differentiation as International Marketing Strategies", *Journal of Marketing Management*, Vol. 1 Issue 2, pp145-146, 1985.
3. Boone and Kurtz. *Contemporary Marketing Wired*. Dryden Press, 1998.
4. C. Samuel Craig and Susan P. Douglas. "Configurable Advantage in Global Markets", *Journal of International Marketing*. Vol. 8 No. 1, 2000, pp6-26.
5. Condon, John. *An Introduction to Intercultural Communication*. Bobbs-Merrill, 1975.
6. Hall, E.T. *The Silent Language*. Anchor Books, 1973.
7. Hall, E.T. *Beyond Culture*. Anchor Books, 1977.
8. Harrison, R.P. *Beyond Words: An introduction to Nonverbal Communication*. Prentice-Hall, 1974.
9. Hofstede, G. *Culture and Organizations*. Harper Collins Publishers, 1994.
10. Hofstede, G. *Culture's Consequences: International Differences in Work-Related Values*, Sage, 1980.
11. Knapp, M. *Nonverbal Communication in Human Interaction*. 2<sup>nd</sup> ed, Holk, Rinehart and Winston, 1978.
12. Kramsch, C. *Language and Culture*. Oxford University Press, 1998.
13. Kramsch, C. "Intercultural Communication" in R.A. Carter and D Nunan (eds) *The Cambridge Guide to Teaching English to Speaker of Other Languages*. Cambridge University Press, 2001.
14. Livett, Theodore: "The Globalization of Markets", *Harvard Business Review*. May/June 64, 1983, pp92-102.
15. Malando, Barker, et al. *Nonverbal Communication*. 2<sup>nd</sup> ed. Newbery Award Record, 1989.
16. Ohmae, K. "Managing in a Borderless World", *Harvard Business Review*. Vol. 67, May/June, 1989, pp152-161.

17. Perlmutter, H. V. "The Tortuous Evolution of the Multinational Corporation",  
Columbia Journal of World Business. 2000, Jan/Feb, pp9-18.
18. Ron, Scollon and Suzanne, Wong Scollon. *Intercultural Communication: A Discourse Approach*. Beijing: Foreign Language Teaching and Research Press, 2000.
19. William, B. Gugykunst. Anxiety/Uncertainty Management (AUM) Theory
20. 常宗林,《英汉语言文化学》,青岛:中国海洋大学出版社,2004年3月.
21. 郭威纲,“跨国公司跨文化管理问题探讨”,《经济管理》,1996年第4期.
22. 胡军,《跨文化管理》,暨南大学出版社,1995年.
23. 胡文仲主编,毕继万著,《跨文化非语言交际》,北京:外语教学与研究出版社,1999年5月.
24. 吴狄亚,企业跨国经营中的跨文化管理问题研究,厦门大学硕士研究生学位论文,2001.
25. 原毅军,《跨国公司管理》,大连理工大学出版社,1999年.杨德新,《跨国经营与跨国公司》,中国统计出版社,1996年.
26. 张红玲,“中西文化冲突下的管理”,《清华管理评论》,2000年第8期.
27. 张丽华,李元墩,杨德礼,“合资企业的跨文化冲突及其管理”,《大连理工大学学报(社科版)》,1999年第6期.