

Bbbm college essay



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Failure to recognize the differences and adapt to them can cause costly errors. Marketing: Exporting companies sometimes fails to research and therefore, do not understand their target foreign market, its types of channels, its types of consumer marketing, the time it requires to arrange deals and introduce products, and its local sensitivities and preferences. - Infrastructure: Companies often do not consider the problems that may arise as a result of the infrastructure of the target country.

Internal transportation, human and material resources, communication systems, health and safety, bureaucracy and in some cases, corruption and bribery in businesses or government all can be potential obstacles to international business.

Four types of Political Risk -Risk of general political instability: Raises uncertainty for companies invests Eng. Operations can be affected / profit decline. -Ownership risk: Operations are threatened by government take over (expropriation). Foreign government may force / coerce foreign owners to sell property. Operations risk: Government, policies adversely affect currency exchange.

Result from new taxes, import restrictions. -Transfer risk: Policies that lead to currency devaluation. When a country is successful, may have to return more profits to host government. Terminology Political Risk: Refers to political decision, conditions, events, or activities in a country that affect the business climate.

Political Interdependence: Countries exercise decisions outside "norm". Leads to backlash. (e. G.

South African apartheid and trade) Trade Wars - governments act aggressively to promote their own products. Soft wood lumber) Economic imperialism - stronger companies and countries exploit weaker countries, aka "Coca - colonization". World Economic Freedom Index: This is important for evaluating the risk for organizations and companies that want to do business in that country. Size of government. Structure of the economy and use of markets.

Monetary policy and price stability. Legal structure and property rights. International exchange. (freedom to trade) Freedom of exchange in capital and financial markets.

Exchange Rates and Currency Strategies: The first step in pricing a product is to convert its cost from its currency in to Canadian dollars. The Euro like the Canadian dollar is a hard currency, which means that can easily to another currency by most banks.

Many countries like China, Russia, or the Ukraine have soft currency, which currency that fluctuates in value and as a result do not convert in to Canadian dollars easily. Currency is rated from "AAA" to the lowest at "D". A currency rating is based on the country's degree or confidence in the world market that is judged by its political and economic stability.

Hard currency's are rated "EBB" and above. Ratings are a measure of credit quality and affect a country's ability to borrow.

Businesses usually only deal in hard currencies. Some countries restrict the amount of foreign currency that people can own or purchase. Cultural

considerations that businesses must make Language: Communication may not be clear if people speak different languages. Translators should be local.

Silent language or nonverbal common action such as gestures and appearance may be different in different cultures. Research personal behavior in advance.

Forms of greetings important, not everyone shakes hands. Should have a business card, translated if necessary on one side Style of dress - formal vs..

Informal. Err on the side of formal. Silent language: Non verbal communication such as body language, gestures personal distances between people, and appearance. Style of dress: Different culture have different expectations for suitable business attire. Business Protocol: Rules of correct or appropriate behavior to follow when meeting with equines people or officials in another nation. Examples: gift giving, punctuality, scheduling of meetings, entertaining.

Business Etiquette - Greeting Hand shakes In North America. A firm grip has long been an indicator of strength of character. In Asia. A weak, extended grip is normal and doesn't effect the negotiating strengths of the participants.

In a Muslim or Orthodox Jewish environment. You must be highly sensitive to touching the opposite gender. -Bowing The tradition of bowing is so complex that Asians attend classes in the proper protocol of the bow. A polite attempt to bow in greeting will be appreciated by your Asian hosts. If you're the

subordinate in the relationship, bow lower. Kiss on the cheeks In the Middle East.

Latin America, Many parts of the Mediterranean and parts of Africa. Your clients / friends might initiate a brief kiss on either cheek, accompanied by a handshake, hug or pat on the back. In Brazil. This custom may occur between the sexes after only one or two meetings. In the Middle East. The same Custom is likely to happen between males, followed by an extended period in close proximity.

Hypotheses cultural indices -Masculinity vs.. Femininity: Masculinity versus Femininity refers to the distribution of roles between the genders.

Women's values differ less among societies than men's values 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. Power Distance: Power Distance Index 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

below, not from above. It suggests that a society's level of inequality is endorsed by the followers as much as by the leaders. -Individualism vs.

. Collectivism: Individualism 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 him / 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 that continue protecting them in exchange for unquestioning loyalty.

-Uncertainty Avoidance: Uncertainty Avoidance Index deals with a society's tolerance for uncertainty and ambiguity. 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 the 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". 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.