

Proceedings of
1st International Conference
on
Marketing In Emerging Economies:
An Agenda for the Next Decade
December 15-16, 2012

ਪੰਜਾਬ ਟੈਕਨੀਕਲ ਯੂਨੀਵਰਸਿਟੀ

CONFERENCE CO-CHAIRS
Jan-Benedict Steenkamp
Harmeen Soch

CONFERENCE MANAGER
Kapil Gupta



UNC
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BUSINESS SCHOOL



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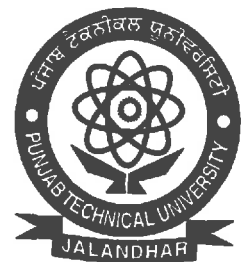
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Preface

We are pleased to welcome you to the 1st International Conference on Marketing in Emerging Economies: An Agenda for the Next Decade organized jointly by the Department of Management, Punjab Technical University (PTU), India and the Kenan-Flagler Business School, University of North Carolina (UNC), USA. This exciting event is to be held in the vibrant city of Amritsar, Punjab, India. The location is highly appropriate for multiple reasons - not the least being that since at least 4000 BC, the Punjab has been the gateway where cultural realms met - the Western, Arab, and Iranian cultures originating in Mesopotamia and later Greece (Alexander the Great), the Central Asian Turkic & Mughal cultures, and the millennia-old cultures of the Indian subcontinent. The conference has been organized as part of commitment of PTU to raise the bar of quality of teaching and research by providing a platform to academics, researchers and industrialists to come together and explore issues of importance to emerging markets and as part of the commitment of the Kenan-Flagler Business School to deepen its ties with emerging markets, especially India. We would like to make a special mention here for the financial and moral support provided by the Vice Chancellor of PTU-Dr. Rajneesh Arora, the Registrar & the Deans of the University.

The conference has been proactive in seeking out the broader national and international perspectives on emerging markets. The conference papers can broadly be categorized into four major themes: Marketing Mix; Services Marketing; Marketing Strategy - Global and Local; and Consumer Behavior. With 17 tracks and 55 presentations scheduled for Dec 15-16, 2012, this conference aims to address a wide range of issues and hopes to ensure the dissemination of innovative and good practices for research in emerging markets like India. The acceptance rate of 40% is an indicator of the quality of paper presentations and thereby of the conference. Delegates from 10 countries and most major business schools of India will be participating in this event.

Two keynote speakers of eminence namely, Prof. Valarie Zeithaml from UNC, USA and Prof. Arvind Sahay from Indian Institute of Management, Ahmedabad (IIMA) will be talking on 'Service Infusion' and 'Brands and the Brains' respectively. A workshop on 'How to Publish in Top-tier Marketing Journals' will be conducted by Prof. Jan-Benedict Steenkamp from UNC on December 16, 2012.

The conference will be preceded by two parallel one-day events on December 14, 2012. A Faculty Development Program (FDP) on 'Basics of Structural Equation Modeling' will be conducted by Prof. Sanjit Kumar Roy of Coventry University, UK. A Management Development Program (MDP) on 'Brand Blowback: How Emerging Market Brands Will Go Global' will be conducted by Prof. Steenkamp.

This conference is a harbinger of the new academic world where business schools from developed countries and emerging markets will collaborate ever more closely in a truly multipolar world in which some new theories, methodologies, and insights come from developed countries, other theories, methodologies, and insights come from emerging markets, but increasingly, business knowledge will be created in synergistic collaboration between institutions hailing from developed and emerging countries - giving rise to a marketing renaissance.

We welcome you to the conference and hope you enjoy the event.

Jan-Benedict Steenkamp (Kenan-Flagler Business School, UNC, USA)
Harmeem Soch (Department of Management, Punjab Technical University, India)

Similarities in Developing Business Relationships in Collectivist Societies of Emerging Economies of China and India

Ravi Bhat¹

Yunxia Zhu²

Pieter Nel³

Abstract

Introduction

Relationship building has become increasingly important for cross-cultural management as many countries regularly do business across borders. Current research findings in this regard have so far primarily focused on marketing relationships or based on cross-cultural dimensions. Given the importance of communication strategies for business relationship building, it is no wonder that relationship building attracts much study and speculation. The concept of business relationship, however, is often discussed in terms of marketing relationships as a universal principle, and little attention is given to comparing communication strategies for building relationship across cultures, and even less has been done to study this issue from culture-specific and ethnographic perspectives. Although Dwyer et al. (1987) made an attempt to explore the relationship between relationship building and communication strategies, she mainly uses intercultural dimensions to compare American and Latin American cultures. We will go beyond these limits and employ both intercultural dimensions and culture-specific approaches to compare relationship building in relation to communication strategies across two cultures of Mainland China and India.

Aim of the study

This paper aims to explore relationship building from social capital and intercultural perspectives. Specifically, it compares relationship building across two countries China and India, categorised as collectivist societies. Both countries have high GDP growth rates with an emerging middle class, with increasing spending power for consumables. Australian and New Zealand firms are increasingly targeting China and India for expansion of their markets, both in commodities and consumer goods. Consequently, a better understanding of business relationship building in these two countries would be critical to the efforts and success of these firms.

Theoretical Framework and Research Method

In the theoretical framework development, we incorporate both the *etic* and *emic* perspectives. We have developed a theoretical framework for cross-cultural comparison based on social capital theory, Hofstede's (1991) and Hall's (1976) intercultural taxonomies, and culture-specific theories from the targeted cultures. The culture-specific perspective is worth a further note. According to Bond et al. (2000), it is imperative to have a dual perspective when comparing cultures and similarly, Zhu (2004) also points out the need for such an approach. We therefore employ both the *etic* or universal and *emic* or culture-specific sources in this regard in order to achieve a balanced view of comparison and also in order to avoid any possibility of cultural imperialism. The research method is based on open-ended interviews with business executives in China and India. The interview questions covered five areas provided by interviewees relating to the intercultural dimension and the semantics or definition of relationship building. Ten business executives were interviewed from three major cities in each country and the twenty in-depth interviews were transcribed and analysed in the light of the theoretical framework proposed

¹Department of Management & Marketing, Unitec Institute of Technology, Auckland, New Zealand, E-mail: rbhat@unitec.ac.nz, Tel. No: +649 8154321 Ext. 7046

²UQ Business School, University of Queensland, Brisbane, Australia, E-mail: y.zhu@business.uq.edu.au, Tel. No.: +617 3346 8142

³Department of Management & Marketing, Unitec Institute of Technology, Auckland, New Zealand, E-mail: pnel@unitec.ac.nz, Tel. No.: +649 8494180

in this paper. The ten managers from each country were largely located in three major cities in each of the countries involved and their companies were of reasonable size with total of between 200 and 1000 employees. The objective of the interviews was to compare building business relationships from the Chinese and Indian business executives' perspectives. Specifically we proposed these research questions:

- What communication strategies do the Chinese and Indian cultures employ to develop business relationships?
- What is the rationale for business relationships building in each of the cultures we study?
- How do business people develop and maintain relationships successfully?

Findings

Our research findings indicate that both the *etic* and *emic* perspectives were appropriate and relevant. For example, our findings indicate that intercultural taxonomies such as Hofstede's and Hall's intercultural dimension on power relations were useful for identifying cultural differences at a more general level. However, the *emic* perspective of target cultures would provide more in-depth analysis. For example, it was been found through interviewing business executives, that relationship building was defined in close relation with the socio-cultural and economic context of each culture and different cultures tended to stress different values. *Guanxi* or friendship for Chinese, *janpehchan* or right connections for Indians. Both terms reflected the collectivistic nature of the society although they were not completely identical.

Implications

Our preliminary findings have implications for conducting international business and doing business across cultures, and also for develop social relationships and contacts in collectivistic cultures in general. Future research, however, needs to be conducted in other collectivistic cultures to further substantiate and test the validity of our findings.

The extended paper is organised to firstly, provide some background information on each of the cultures. The second section focuses on developing a theoretical framework based on intercultural communication, social capital and organisational discourse and narratives followed by a proposed model and research method detailing the participants of interviews. In the research method section, we also detail our culture-specific perspective through interviewing with business executives of target cultures. The fourth section discusses our findings from interviews with business managers. Finally conclusions are drawn based on our findings and further research areas identified and highlighted.

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