

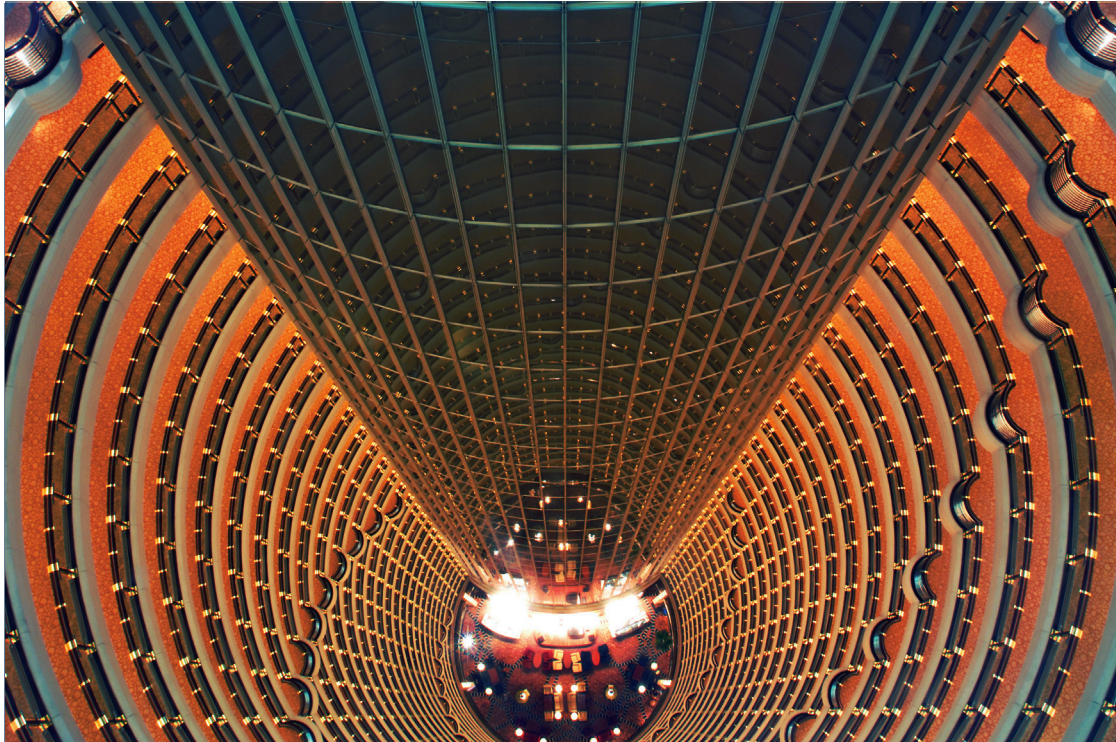


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VOLUME 2

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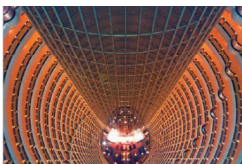
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Design Consultant	Doris Gomez, Ph. D.
Webmaster	Charles Mims
Contact Information	Regent Global Business Review Regent University 1000 Regent University Drive Virginia Beach, VA 23464-9800 USA +1 757.226.4074
Website	www.regent.edu/rnbr
Letters to the Editor	rgbr@regent.edu
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By Franco Gandolfi and Corné J. Bekker

The notion of guanxi signifies relationships and relationship building. The concept is an essential part in the development and success of businesses in China. In order for foreign firms to successfully enter China they must have a solid understanding of the concept of guanxi. In this article, the concept of guanxi and its role in contemporary China is explored and compared with the Christian concept of perichoretic hospitality. If foreign firms intend to enter and succeed in China, an understanding of guanxi and its managerial and business implications is critical.

Global Brands Making Foray in Rural India 12

By Arpita Khare

Targeting Indian consumers has always been challenging for multinational companies in the Indian subcontinent given consumer preferences, lifestyles, and religious diversities. Global companies that understand the price-value equation have sustained their presence in India. As if the challenge of serving the urban consumer was not enough, the liberalization has opened vistas of opportunities in rural India. Global companies are expanding their reach in rural India. With two thirds of the Indian population residing in villages and the increased development of infrastructure and education, rural India is a fascinating market bed for multinational companies. The growing demand for branded products is instilling confidence in companies to make investments on rural consumers. Based on a study that explores changes in perception of the rural consumers towards product consumption in the villages of eastern and western Uttar Pradesh, multinationals might fathom the impact this brings in marketing to consumers in the Indian rural markets.

Ubuntu, Kenosis & Mutuality: Finding the Other in Southern African Business Leadership 18

By Corné J. Bekker

There are strong parallels between the Christian construct of kenosis and the African social philosophy of ubuntu. These parallels allow for the construction of a value-based style of leadership in business that is both African and Christian where leader and follower attain full humanity through a liberating, empowering relationship of mutuality.

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Wal-Mart Inc., the world's largest corporation, failed to capture the hearts of South Koreans. While it achieved stunning successes in the U.S. and overseas, Wal-Mart was unable to apply its proven U.S. business model in the South Korean market. In analyzing Wal-Mart's experience in South Korea from the South Korean perspective, discussion emerges around Wal-Mart's inability to properly understand and respond to the South Korean consumer. Although Wal-Mart is only one among many firms that have underestimated the role of conducting cultural due diligence prior to entry into a foreign country, their experience reveals a broader concern as to why firms fail to adapt their business practices to the idiosyncrasies of foreign cultures. Business leaders must recognize and respect the influence of local culture in determining a firm's business model.

GUANXI



The *Art* of Finesse and Relationship Building
When Conducting Business in China

by franco gandolfi & corné j. bekker

For more than two decades, economic growth rates in China continue to thrive. A multitude of foreign firms are entering this booming economy and taking advantage of the existing environmental conditions such as the availability of low cost of labor and access to the world's largest population.

However, amidst this lure of economic prosperity, the primary dilemma exists in the cultural differences these companies encounter when conducting business in China. One of these differences is the concept of *guanxi*. In order for foreign businesses to succeed in China, it is critical for them to develop a deep understanding of the notion of *guanxi*, its impact on establishing relationships both within and outside a firm and the implications for good managerial and business practice.

The Confucian Roots of Guanxi

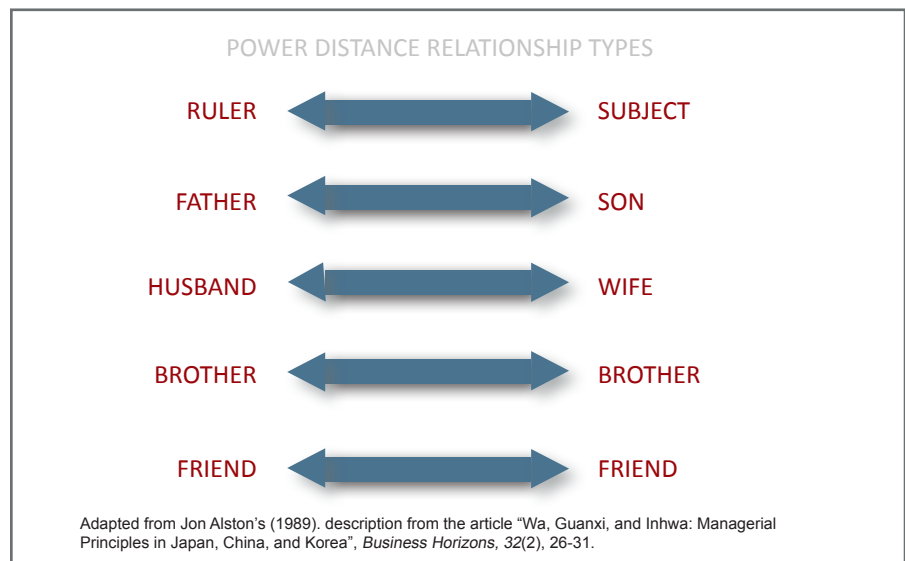
Guanxi is an intrinsic aspect of the ancient Chinese culture. While studied in great depth, researchers from around the globe have tried to define and conceptualize the notion of *guanxi*, translating it as personal connections or relationships. Despite this seemingly simple definition, the implications are profound and dynamic within the Chinese culture.

Guanxi is a major force in Chinese society because of its ancient cultural roots in Confucianism, which emphasizes the importance of interdependence and social connections. Since the Han dynasty (BC 206 - AD 220), Confucianism has held a significant position in the Chinese society and continues to influence many facets of modern-day life in China. Noted scholars John Dunning and Changsu Kim suggest that the Chinese see themselves as being entrenched within a social system, where harmony is a valued part of human well-being. This is reinforced in the Chinese ying-yang symbol which represents mutually reinforcing but harmonious traits.

The Chinese live in an intricate mesh of

personal and social inter-connections. Culturally, people view themselves as interdependent of each other and embedded in the surrounding social context. To that end, Confucian ethics encourages individuals to respect patriarchs and elders – likely to a greater extent than in other cultures. It also stresses the importance of an individual's place in the hierarchy of social relationships.

influence in *guanxi* is the act of constructing an established connection to receive potential favors through personal relationships. The nature of these relationships depends on the experience of those involved in building the relationships. Those with more experience will have a better grasp of defining and enriching the relationships and developing those relationships



The basis of this concept is described by scholars as power distance. Power distance refers to the gap that is accepted when power is unequally distributed between the powerful and less powerful. The more a society accepts inequality and is respectful of authority, the greater the power distance in certain relationships is likely to be.

Jon Alston explains these types of relationships within a social hierarchy as ruler-subject, father-son, husband-wife, brother-brother, and friend-friend. With these relationships central to the Chinese culture, *guanxi* links two persons of unequal rank so that the weaker partner can call for favors which need not be equally reciprocated. This generates the expectation that those with a powerful position help those with inferior positions. In return for their generosity they receive face and a positive reputation. Therefore, an important implication of the Confucian

will be strongly dependant on the institutional infrastructure of a society.

Core Traits of Guanxi

Taking into consideration the root influence of *guanxi*, it is feasible to identify its core traits. *Guanxi* is a utilitarian concept in that it connects two individuals together based on the exchange of favors rather than based on sentiment. Interestingly, while friendship is preferable, it is not a necessary prerequisite for *guanxi* to take place; just as a *guanxi*-related tie that is no longer viewed as positive, can be easily broken.

Guanxi is also reciprocal; it implies reciprocity in exchange for favors. The *guanxi* relationship is fueled by continual favors. It works when one repayment merits another favor by the opposing party. This reciprocity maintains that the favors unequally benefit the weaker partner and is not necessarily equitable.

In essence, key ingredients of guanxi include trust, honesty, reciprocity, and social status. It is an intangible asset in that those who share a guanxi commitment maintain an informal and unwritten code of trust, forbearance, and equity. This guanxi commitment is reinforced by an informal system of social standing and respectability that can be seriously damaged by violating the core principles of guanxi.

Guanxi and the Christian Concept of Perichoretic Hospitality

Chinese culture prides itself on its hospitable character and the term *qingke* (literally guest hospitality) is used as an overt strategy of guanxi in business. It also has comparable traits and characteristics with the Christian theological and ethical concept of perichoretic hospitality. The Christian concept of hospitality finds its origins in the ancient Mediterranean call to hospitality in the Hebrew Scriptures (Leviticus 19:33-34) that reminded Israel that she was once a stranger and sojourner in need of hospitable relationships.

The early church reported that Jesus preached a message of radical hospitality to all (Luke 14) and thus made hospitality a basic virtue for leadership (1 Timothy 3:2). Hospitality in the Christian tradition is fundamentally a welcoming and open stance towards the other in his or her otherness and finds its deepest expression in the loving and hospitable relationship of the Triune God (John 14:11).

Scholar and author Paul Fiddes notes that in the early Church tradition the Greek verb *choreo* (the English word choreography comes from this word) and the noun *perichoresis* were used by theologians to describe the loving and hospitable relationship (sometimes described as a dance) between the triune members of the Godhead and then ultimately as an ethical ideal. Perichoretic hospitality, rooted in a devotional and mimetic relationship with God, is a call to form social relationships with others

by emphasizing the need for openness to others through hospitable acts without forfeiting personal identity.

Even though contemporary China is characterized by its vast size and large cultural variation, national pride exists in the complex systems of hospitality seen in the use of the term *liyizhibang* by Chinese to describe their country as a “nation of ritual and etiquette”.

The ancient Christian concept of perichoretic hospitality offers a cultural and religious bridge for Christian Westerners working within a contemporary Chinese

business environment. This biblical call to form social relationships, expressed in acts of *qingke*, can assist occidental organizations and leaders to honor the status of Chinese business leaders, gain access to important social groups and maintain organizational relationships. Perichoretic hospitality calls business leaders working in China to not only imitate the “loving dance” between the triune members of the Godhead but to seek to follow in the example of Christ that willingly came in the form of a human (Philippians 2:5-11) by honoring the ancient Chinese systems of hospitality in guanxi and *qingke*.

Using Guanxi to Establish Corporate Reputation in China

Guanxi takes on special significance in Chinese society. Constructing and maintaining guanxi is a common preoccupation for entrepreneurs, managers, officials, and even university students. While some suggest that guanxi is a cultural phenomenon that is deeply rooted in the Chinese culture with its high value placed on harmony and hierarchy, others maintain the Chinese have managed to turn guanxi into a

carefully calculated art.

As demonstrated by the popular saying in Chinese that translates “Who you know is more important than what you know”, guanxi-based business practices permeate the Chinese culture and are capable of facilitating exchange in the Chinese business community. Guanxi is ultimately a form of social capital that develops between two persons through

a process of reciprocal exchange. It is more than the exchange of gifts to ensure future favorable business exchange. For example, many Western business people

endanger themselves by exaggerating the importance of gift-giving in a guanxi relationship. This aspect of a guanxi relationship, when abused, comes close to being perceived as “meet and wine friends”, a Chinese metaphor for mistrust.

In another example, an Australian university tried to build social capital with its new Chinese partner and relied too heavily on gift giving, which subsequently strained the relationship between the institutions.

Consequently, the core of guanxi is the cultivation of long-term relationships. Chinese society differs from other cultures in that guanxi remains always active and plays a central role in daily social and business realms. Thus, the development and nurturing of guanxi necessitates a long-term commitment and outlook for the strategic business partners.

Using Guanxi to Establish Relationships

Another aspect of guanxi to note is that it is transferable between parties. This can be exemplified in a relationship with three individuals: A, B, and C. If A has guanxi with B, and B is a friend of C, B





would be able to introduce A to C. The extent to which this *guanxi* is transferable depends on the satisfaction that B feels about his *guanxi* with A and C. Here, *guanxi* is established when one party does something for another party. This develops an unpaid obligation, which is called *renqing* and constitutes the first step in the development of a *guanxi*-based relationship. Even before a first exchange can take place, there must be a common bond between the two individuals involved in the exchange. The bond of commonality is established with a third party that is attached to both party A and B. If commonality exists between two parties, it does not guarantee future *guanxi* exchange. However, the link of commonality does meet the minimal criteria to establish an initial *guanxi*-based relationship. After the commonality is established, the exchange between the parties can begin. The goal of *guanxi*-related exchange is not to exchange favor for favor. Rather, good *guanxi* is established by expanding the time and repayment and exchanging favors with increased value.

Although *guanxi* is a relationship, it does not involve a great deal of emotion, which is another common misconception by

Westerners. Xiao-Ping Chen and Chao Chen, in their article “On the Intricacies of *Guanxi*” establish a distinction between *ganqing*, the degree of emotional understanding associated with a particular connection, and *jiaoqing*, the degree of obligation and indebtedness that comes from a connection. They contend that the accumulation of *ganqing* and *jiaoqing* will increase the closeness between two *guanxi* parties. Therefore, from a business perspective, *guanxi* in this context is likely to be purely instrumental and utilitarian rather than emotional in nature.

Trust also plays a less insignificant role in *guanxi*, while assurance is key to healthy *guanxi* relationships. Trust exists where one party believes the other party will not act opportunistically regardless of the potential payoff of opportunistic actions. Assurance exists where one party believes the other will not act opportunistically due to external constraints or an expectation of future exchange — a driving force behind the formation of *guanxi*. Therefore, again *guanxi* is not an emotionally driven force. As such, attachment has little to do with initial formulation and continued relations.

...MANY WESTERN BUSINESS PEOPLE ENDANGER THEMSELVES BY EXAGGERATING THE IMPORTANCE OF GIFT-GIVING IN A GUANXI RELATIONSHIP. THIS ASPECT OF A GUANXI RELATIONSHIP, WHEN ABUSED, COMES CLOSE TO BEING PERCEIVED AS “MEET AND WINE FRIENDS”, A CHINESE METAPHOR FOR MISTRUST.

Two researchers provide support for the instrumental and utilitarian nature of *guanxi*. They found that the more sophisticated managers in China are skilled at manipulating the exchange of favors, benefits and information with their Chinese business counterparts. Less experienced foreign managers perceive *guanxi* in a more Western interpretation based on emotions and personal characteristics. The consequences for not following the proper procedure for *guanxi* can be dire. Failure to follow the rules of reciprocity and equity in a *guanxi*-based relationship is likely to result in the loss of face. Face is a key element in the development and maintenance of *guanxi*. The concept of face, though highly abstract, is treated by the Chinese as something that is tangible.

Face or reputation is an overall quality or character as perceived by a society. It is also a place of public esteem or regard. *Guanxi* and reputation both serve as a means to ensure that individuals will act justly in their business dealings. When looking at *guanxi* networks and reputation, several aspects should be considered.

First, a firm needs to be able to build its reputation by means of a multitude of organizational participants engaging in *guanxi*. In other words, while *guanxi* networks are mainly developed between individuals and are more of a personal relationship, reputation is more an impersonal, general relationship that a particular firm holds. Through the use of *guanxi*, an organization can build up its corporate reputation.

For instance, a Swiss manufacturer with no established networks and *guanxi* entered China by means of a joint-venture. Having made a long-term commitment to China, the Swiss firm spent the first few years building a reputation of a good corporate citizen in China and investing in the local community. In turn, the Swiss firm built credibility, trust, and *guanxi* with the Chinese firm. As a result, the Swiss corporation was able to leverage its newly developed *guanxi* with its Chinese partner

and to apply it to its business practices and dealings with other Chinese entities. Today, the firm and its joint-venture partner are a well-recognized, well-established, thriving business that many Chinese consider a local business.

Economic Hindrances of Guanxi

With the many positive aspects to guanxi, there is a negative element to consider. Business-to-business guanxi enables a firm to develop relationships with suppliers and to cement the reputation of organizations. However, there is another part to guanxi that is the business-to-government guanxi. This particular aspect has the capacity to be destructive in that it can cause corruption within the Chinese economic and judicial systems. Corruption is an impairment of integrity, virtue, or moral principle which can be found in all systems. Not surprisingly, China is no exception.

Corruption is rampant in the Chinese economy for two main reasons. First, by Western standards, China has a weak corporate governance system. This system is still in its developmental stages and represents a significant change to the old way of life. There are many loopholes, weaknesses, and ambiguities within their system and people are exploiting those for their own good. Thus, it has become a breeding ground for corruption. Furthermore, the prevalence of corruption in the Chinese economy results from traditional systems and methods. The primary moral guide that the Chinese people embraced and adhered to for centuries was Confucian ethics. The law was thought of as only secondary to Confucian ethics and most Chinese people did not pay a lot of attention to it. Family and relationships were the center of the Chinese way of life where guanxi permeated all aspects within the culture.

Today, while the law has been re-defined in the wake of WTO membership, the legal system continues to learn about its exact role, interpretation and enforcement. It is not the business-to-business guanxi relationships that



cause the corruption but the business-to-government guanxi relationships. Some use their business-to-government connections to circumvent laws and regulations.

It must be understood that until the corporate governance and legal systems fill in the weak areas within the notion of guanxi, corruption will continue to permeate the entire Chinese society. As a natural consequence, this will hinder the economic development of China.

Concluding Thoughts

Clearly, guanxi plays a pivotal part in the business environment in China. If foreign firms wish to succeed in China, a strong understanding of guanxi and the way that it influences the business environment is paramount. The biblical concept of perichoretic hospitality can provide an ethical and motivational base for occidental leaders that want to engage guanxi through acts of guest hospitality (ginke). Yet, foreign firms must take time to understand the acceptable practice of gift giving to avoid critical mistakes while thriving in this rapidly growing and expanding economy.

Dr. Franco Gandolfi serves as the MBA program director and associate professor of human resources management (HRM) in the School of Global Leadership & Entrepreneurship at Regent University. He holds degrees in Commerce and Adult Education from the University of Sydney and doctoral qualifications in Business Administration from Southern Cross University, Australia. Dr. Gandolfi consults with international corporations and is also an accomplished researcher with published articles in numerous international journals. His recent book, *Corporate Downsizing Demystified: A Scholarly Analysis of a Business Phenomenon* published by ICAFI University Press (2006) has received great acclaim. Dr. Gandolfi can be reached at fgandolfi@regent.edu.

Dr. Corné Bekker is an associate professor for the School of Global Leadership & Entrepreneurship at Regent University where he teaches in the doctoral programs and is actively involved in research on the use of biblical hermeneutics and spirituality to explore leadership. He holds degrees in Greek and Biblical Studies (B.A.), New Testament Theology (M.A.) and Biblical Studies (D. Litt et Phil.) from Rand Afrikaans University in Johannesburg. In addition, Dr. Bekker is an ordained minister and has traveled in Africa, Europe, the East and North America to present at churches, ministries, seminars and academic conferences on Christian spirituality and leadership formation. Dr. Bekker is currently completing a second doctorate in Christian Spirituality at the University of South Africa and can be reached at clbekker@regent.edu.



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Global Brands Making Foray in Rural India

By Arpita Khare

The popular image the world has of an Indian rural consumer is one who has limited education and exposure of products and services. Yet, Indian rural markets are much more complex and represent a tremendous marketing challenge and opportunity for multinational firms.

Insight into the Spending of Rural India

Burgeoning with affluent farmers in Karnataka, Punjab, and other areas, rural marketing thrives on personal selling, word of mouth and price. With 128 million households; India's rural population is nearly three times the urban population and accounts for 70 percent of toilet soap consumption and

38 percent of two-wheelers purchased.

According to MART, a New Delhi-based research organization that offers rural solutions to the corporate world, rural India buys 46 percent of all soft drinks sold, 49 percent of motorcycles and 59 percent of cigarettes. This trend is not limited just utilitarian products. For example, 11 percent of rural women use lipstick.

India's National Council of Applied Economic Research (NCAER) emphasizes that rural households form 71.7 percent of the total households in the country. Soft drink giant Coca-Cola is growing at nearly 40 percent in rural markets, compared with 24 percent in urban areas. Furthermore, Hansa Research, reported the penetration of consumer durables has increased sharply in India's

villages between 2000 and 2005. For example, color television sales are up 200 percent and motorcycles 77 percent. In absolute numbers, however, the penetration is still low. Coke, for instance, only reaches near 25 percent of the rural market. This means the upside potential is vast for companies that develop effective rural marketing strategies.

Like Russia, Brazil, Mexico and China, India is also experiencing an awakening of its middle class. The implications of this trend are consistent with a growing awareness and interest among the rural population toward quality products. Earlier, a villager was satisfied with the public transportation, today's villager aspires for two-wheeler for making his life convenient. Spending on personal grooming and durables has



risen in past few years in the smaller towns and villages of the country; while liberalization has led to decline in the prices of many products like deodorants, cold drinks and detergents.

Consumer durables such as LG Electronics India, targeted the Indian rural customer with launch of new products such as 'Sampoorna' brand of television sets and it has opened more offices in rural India than in the urban parts of the country. The top management understood that as the rural market awakens to new technologies, the consumer durable market was bound to undergo a transformation.

LG is not the only MNC vouching the changing trends by growth of its sales in the rural parts, Mirc Electronics has also launched a program called 'Operation Vistaar' and has introduced low priced television brands for rural households. Samsung has targeted the villages by organizing road shows and have focused the semi-urban and rural consumer for their various product ranges.

Associated Chambers of Commerce and Industry of India, predicts that Fast Moving Consumer Goods sector will witness more than 50 percent growth in rural and semi-urban India by 2010. They note that demand for products such as toothpaste, instant coffee and deodorants in the nation's villages and small towns will increase by 60 percent by 2012. In a country with 235 million farmers and where agriculture accounts for a fifth of the \$775 billion economy, initiatives are underway by Hindustan Unilever, P&G, Coca Cola, PepsiCo and Nestle to increase marketing spent to develop distribution infrastructure in the heart of rural India as well.

Companies are planning their distribution strategies to reach the interiors of the country. Kolkata-based ITC Limited, which diversified its agricultural business in recent years to sell cookies, garments, incense sticks and matches, is setting up retail stores called 'Choupal Fresh' to sell fresh fruits and vegetables. It

also plans to expand the number of its rural supermarkets called Choupal Sagars to 700 by 2013 from 11 currently. Hindustan Unilever Limited, the Mumbai-based local unit of Unilever, sells its products through 6.3 million shops, reaching eight out of ten households in India.

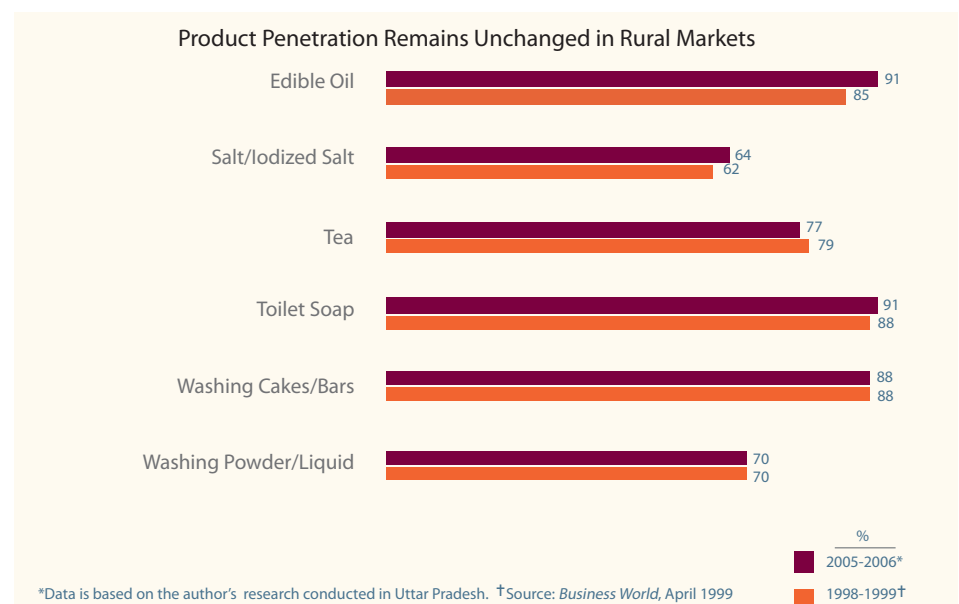
According to the National Council for Applied Economic Research (NCAER), affluent farmers are investing in the education of their children. The state of Kerala has benefited immensely from remittances of those who have sought work in the Middle East while children from rural areas migrate to urban centers in search of employment opportunities. Also, notable demographic changes are occurring with increases in education among women. In the villages, education is recognized as essential for women and is bound to create a new culture and greater understanding about the world.

Research shows that Coca-Cola uses a combination of television, cinema and radio to reach 53.6 percent of rural households. It has doubled its advertising expenditures on Doordarshan (Indian National Television Network), which reaches 41 percent of rural households. It also uses banners, posters to tap the rural market. As price is a key issue in the rural areas, Coca-Cola advertising stresses on 'magical'

price point. The Cola majors like PepsiCo and Coca Cola have been successful in penetrating the rural markets and creating brand awareness.

Designing advertising and promotional strategies for the rural market pose immense challenge. Many companies in the durables segment use local language to make the product features understood by the locals. The advertising media selected varies from the use of wall writings to banners and posters across the villages, to the use of vans displaying the products and radios.

Research highlights the vastness of India's 627,000 villages, which are spread over 3.2 million square kilometers. Nearly 700 million Indians may live in rural areas. The poor state of roads pose a challenge to regularly make products available in the far-flung villages. It is herculean task to reach at least 13,113 villages with a population of more than 5,000. Marketers must trade off the distribution cost with incremental market penetration. Looking at the vastness of Indian rural markets, it would be pertinent to add that undoubtedly, Indian markets promise a huge growth potential. When comparison is drawn between Indian rural market and other global markets on the basis of size, it may be understood that no developing country promises such immense opportunity. The Rural Indian landscape comprises of a population lapping at branded products, which is thrice the size



of the Mexican market, nearly five times the size of the Russian market. Globally it presents a marketer with a challenge and opportunity to cater to this class of consumers.

According to C. K. Prahalad there are cases when large firms and multinational corporations have undermined the efforts of the poor to build their livelihoods. To involve the poor in the benefits of globalization means creating active engagement for them and providing access to products and services that represent global quality standards. Rural consumers need to be exposed to the range and variety of opportunities provided by globalization.

The heavy spending patterns by rural consumer is witnessed in the past few years in product categories such as mobile connections, 'Kissan' credit cards, investments in insurance schemes and policies, bikes and television sets. The increased penetration of the television and cable networks in village households is also responsible for making the village consumer aware about the alternatives available in the market.

The younger population is greatly influenced by the urban youths in its choice of clothing and durables. Of two million BSNL mobile connections, 50 percent are in small towns/villages. According to Business World, reduction in telecom tariffs makes it possible for India to enjoy the lowest call rates in the world at two cents per minute, compared to 33 cents in Japan, 11 cents in Brazil, and 24 cents in Australia. India's mobile phone user base has exploded to 105 million today from 5 million in 2001 consequently driving the price of handsets.

Marketing in the Tough Indian Rural Terrain

Rural India is a new world of experience for marketers. The largest FMCG (fast moving consumer goods) Company Unilever India, earns more than half of its annual revenue from rural markets. The same pattern is visible for companies

manufacturing wrist watches, soaps, television sets, tea, and cassettes.

While this economic potential is consistent across rural markets in India, how global brands reach various segments of these markets may vary from state to state. Furthermore, even though the spread of telecommunication networks and education has made the villagers better versed with the urban lifestyle; their aspirations and culture remain different. Companies are faced with diversity in languages and geographies, making it necessary for

adopting the product. In the villages, visibility about a brand and how to use it is instrumental in generating sales. Being skeptical by nature about new innovations, rural consumers go more by word of mouth. Therefore, to market its jeans, Arvind Mills' promotional effort included teaching tailors in villages to stitch the jeans. As the tailors are opinion leaders for clothing, they became votaries for jeans and for the 'Ruf & Tuf' brand. Many marketers provide demonstrations about the durable products to overcome



rural and region specific strategies (e.g., a farmer from Punjab may be more progressive than his counterpart in Bihar).

In a country like India, with cultural and language disparities existing even within a state, designing advertisements for the rural markets can be an expensive endeavour. The language and the context of the advertising should be relevant to the consumers' lifestyle and beliefs. The message and media selected thus have to be compatible with the consumers' reference and background. Companies such as Dabur distribute religious texts or calendars with religious themes with its products.

In other instances, companies train and educate the consumers about the product usage and its relevance. Their marketing efforts are targeted towards creating brand awareness amongst the opinion leaders in the community which leads to others in the villages slowly

consumers' misconceptions. For example, automobile company Hindustan Motors demonstrates the utility of its vehicle on the dirt tracks to rural consumers. Eicher Tractors organizes tug-of-war contests between its own tractors and those of rival companies at the colorful Pushkar fair at Rajasthan.

Another interesting trend was found by Naryan Krishnamurthy in his research, which indicates a number of successful brands in rural markets have brand names or symbols with numbers or animals. These include: 555 soap, Monkey brand toothpaste, Gemini tea (with an elephant), Cheetah fight matches or Sheeru (tiger) beedi. The associations of symbols with these brands help recollection.

While rural India buys products more often (mostly weekly) and in less expensive small packs, brand awareness is distinctively poor. Brands compete with

each other on ready supply. Therefore, it is not quality that draws a rural consumer to the product but availability. The brands that are most popular may be brands that have no market presence in the elite markets. The reason for this is that consumption patterns, tastes, and needs of the rural consumers are entirely different from urban consumers. Hindustan Unilever found the retailers in villages were cutting its large 100gm soap into smaller pieces and selling them individually. So in response, it introduced small 75gm soap, a low unit price strategy. In a country like India where prices play a big role in purchase decision, this strategy has increased product penetration into the interiors of the country by encouraging trial purchases.

In the rural setup purchase process a social component is involved that includes different family and community members. Rural youth are more conversant with newer product ranges and price differentials. More so, as many educated villagers have migrated to cities, they now play a pivotal role in influencing in the purchase decisions. According to Joshi, the rural population seeks information about the product availability and usage from each other; the social interactions are a major influencing factor. For example, in the villages the common washing area makes purchases like toilet soap and toothpaste are known to all, which are usually private in urban households. It also adds to the status of the villager to brush his teeth with toothpaste or use a detergent to wash clothes.

Global Brands Reaching to Indian Rural Consumers

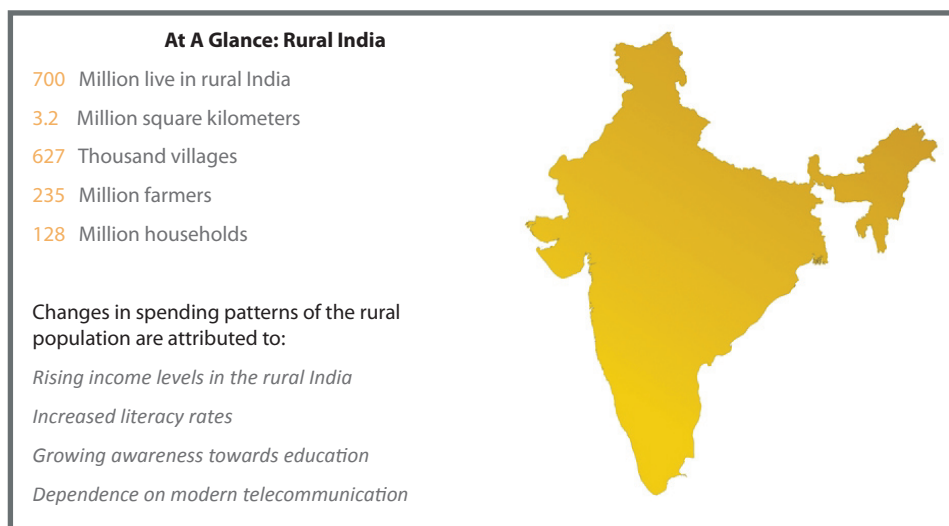
Occupation in rural India include farmers, shopkeepers or traders, teachers, people working in banks and other offices but living in villages. Land-owning farmers comprise of one-third of the population and their consumption habits are dissimilar to those of the shopkeepers and people employed in offices and teachers. This group is the major consumer of durables.

Kashyap says rural consumer could buy

from different locations depending on the product and the need. For example, a study on haats indicates that, despite the same product being available in the village shop, 58 percent of the rural consumers visiting the haats preferred to buy these from the haat because of better prices, quality, and variety. But also, modern means of communication are increasingly influencing marketing efforts — though use is still limited. The penetration of mobile phones and motorbikes amongst the villagers shows the growing acceptability of newer innovations amongst rural consumers. Acceptance of the latest products and brands reflects the migration of many villagers to cities in pursuit of higher education who then communicate their product purchase decisions in the village community. Such tempting is the pie of the rural market that companies such as Colgate Palmolive, Marico, Hindustan Unilever, P& G, Coca Cola, and PepsiCo are all devising strategies that would enable them to gain a foothold in the rural market.

the consumer about the relevance of the brand or product in his lifestyle. As in the villages the rural consumer goes more by word of mouth than advertising of the product, the retailer's inputs play an important role in purchase decision. The illiteracy and low education prevents the consumer from asking about a particular brand. For the retailer it is convenient to sell a product that fetches him more returns, so he convinces the consumer accordingly. However, with more media proliferation in villages and growing importance of marketing in rural sectors, rural consumer is becoming conscious about his preferences in various product categories.

Advertising should also be tailor-made to suit the specific requirements of the rural consumers. Companies are spending huge amounts of money to extend their reach in the rural markets. The fast changing demographics of the rural population is bringing about a change not only in their consumption patterns and attitudes.



Velayudhan points out towards careful assessment of product-market selection decisions in rural markets, while studying the capabilities of distribution and the cost. Acceptance of shampoos, soaps, soft drinks, detergents and mobile phones in the rural markets has led to revolution in packaging and pricing of products. As rural consumer's brand awareness is very limited, the retailer plays a vital role in convincing

Many companies are involving consumers in the distribution networks of the companies and making them a part of the selling process. Hindustan Unilever reaches a hundred thousand small villages, touching the lives of over 100 million rural Indians. It also provides training to underprivileged women from small villages. Hindustan Unilever has a substantial presence in over 1500 towns

us covering 80 per cent of the urban population.

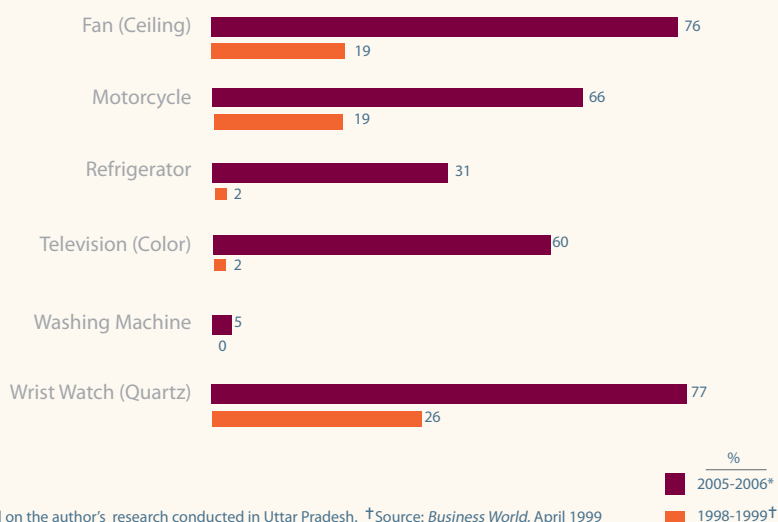
Economic changes in the country also made consumers more experimental in their tastes and women were becoming more empowered to play a major role in purchase decisions.

Overcoming Hurdles for Supremacy

There is no doubt that the rural market presents global companies with vast opportunities and challenges. With the large chunk of middle and low income groups residing in the villages, the demand for products is bound to grow. Products are being specifically designed and priced for rural consumption. Significant issues need to be understood by MNCs making investments in rural India:

- Rural India does not represent a homogeneous market. The tastes and preferences of the consumers vary from district to district in the country. With changes in the language and dialect, advertising has to be tailored specifically for different target consumers.
- Networks are not efficient to tackle the distribution demands. Problems exist in reaching the interiors of the country. Initial expenditures to develop distributor networks are immense, because in Roads and communication networks are not efficient to tackle the distribution demands.
- As there is little consumer research regarding the rural markets, companies commit the folly of overestimating the awareness of product usage in the rural market.
- The Indian consumer is traditionally price sensitive and more so in the rural parts. Multinational companies that modify portions and packaging to create a greater value proposition have succeeded in targeting the rural consumer.
- The rural distributor cannot stock a large variety of products because of credit problems. Also as the retailer plays a vital role in the village in convincing the consumer about the usage of the product, it becomes imperative to provide sufficient information and infrastructure support to stock adequate inventory of goods. Major global brands have included villagers in their distribution channels, not only providing employment but also extending the reach in the rural markets.
- While increased penetration of telecommunication has resulted in an increased awareness among villagers, it is still important to understand that a major chunk of rural community is not educated enough to comprehend the technicalities of the product/brand usage.
- A positive phenomenon that is on the rise is that of a tendency to try out new innovations in the durables category. With a massive population between 18-30 years, the disseminators of information are the younger generation in the villages.

Change in Consumption of Durable Products in Rural India



*Data is based on the author's research conducted in Uttar Pradesh. †Source: Business World, April 1999

For global companies investing in rural markets, the opportunities are immense. The only word of caution is that advertising and promotion must be tailored specifically to suit the palate of rural consumers. The appeal and creative strategies relevant for urban consumers may prove totally unsuitable for the rural market. In coming years the rural consumer is going to play a dominant role in defining fate of major global FMCG and consumer durable players in the India. 🌐

Dr. Arpita Khare holds D. Phil, MBA (Marketing), B.A. (Literature, Modern History, Psychology) from Allahabad University in Allahabad, India. She is a faculty member in the Master of Business Administration in Information Technology program at the Indian Institute of Information Technology. Her areas of research include changing consumer behavior in India, cross cultural impact on organizational strategy and supply chain management and efficient supply chain networks. She has served as a reviewer for the Australia and New Zealand International Business Academy (ANZIBA) Conference and authored numerous papers and articles for regional and international conferences and publications. She can be reached for comment by e-mail at the following address: arpita@iiti.ac.in.

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Finding the Other in Southern African Business Leadership

By Corné J. Bekker

In Southern Africa, a desperate need exists for indigenous, innovative, values-based leadership approaches that will mobilize...

business leaders around the common goal of reconstructing a society. Through racial discrimination, disease, economic injustices, corruption, and leadership failure, this emerging paradigm of leadership has helped South Africans begin to think of leadership as something that is done in community rather than through a privileged individual. This

shift from individualism to perspectives in communal leadership is a global phenomenon. Jean Lipmen-Blumen notes that with the competitive leadership approaches of the past “We (have) finally begun to re-examine more critically our traditional concept of leadership.” He describes these past approaches to leadership as outmoded and based on

egoistic ideals that promote competition, control, aggression and self-reliance. In contrast, the shift to values-based leadership approaches is mostly marked by communal presence, trust, dialogue and mutuality.

Therefore further exploration of this shift and its implication for South African

business leaders is warranted.

The African social philosophy of ubuntu and the Christian theological concept of kenosis are rich in definition and provide an ideal contextual platform for further examining values-based leadership approaches in business.

Ubuntu

This social practice of affective community, ubuntu, is not a concept that is easily distilled. Its superficial adoption by corporate South Africa has not helped to foster a deeper appreciation of its inherent values of interconnectedness, foundational humanity and responsibility to all. A correct way of thinking about ubuntu is to consider it as a basic approach to Southern African spirituality that is manifested in mutuality, solidarity with

compassion, reciprocity, solidarity, dignity, humanity and mutuality in the interest of building communities with justice and mutual caring. More than a descriptor of African values, ubuntu should be seen as a social philosophy and a spirituality that is deeply embedded in African culture. It is the primary foundation of a South African religious worldview.

An ubuntu-inspired approach to leadership sees community rather than self-determination as the essential aspect of personhood. Thus, the accomplishments of the individual (leader) are the accomplishments of the community (organization). South African leaders inspired by ubuntu see their inclusive approach to leadership and business as part of their larger quest for identity.

ourselves to others, to encounter the difference of their humanness so as to inform and enrich our own." The value and practice of mutuality in ubuntu is defined paradoxically by the differences found in the other.

Accommodation and respect for the differences in the other flow from a recognition of the common humanity of the self and the other that in turn facilitates an interior transformation that allows for the radical decisions of mutuality that some South African business leaders have made. "Ubuntu... is an acknowledgement of the human status of another person," writes as Joe Teffo. "You are, I am members of one and the same race, namely, the human race. The essence of man lies in the recognition of man as man before financial, political, and social factors are taken into consideration. Man is an end



all and communal enterprise. It is part of the very fabric of indigenous Southern African spiritual and intellectual identity.

Ubuntu, has the power to effect a revitalized commitment in South Africans in the reconstruction of organizations marked by integrity and mutuality. Leaders with the inherent values of ubuntu, as it might relate to business, have been described as having a broad social and emotional repertoire.

The Social Philosophy of Ubuntu

The South African Nguni word ubuntu, from the adage; "Umuntu Ngumuntu Ngabantu – A person is a person because/through others," is described in African culture as the capacity to express

It is in the context of community that an African person is defined. The South African Venda saying, "Muthu u bebelwa munwe – A person is born for the other," captures the spirit of this approach of interdependence between self and community. This is more than mere interdependence as the identity of the self is defined in finding the other in community. By entering into honest dialogue and taking steps to relocate the self in mutuality with the other, the self is also enriched and formed.

This relocation of the self in mutuality with others is more than just social, it includes economic and familial decisions. The South African author, D.J. Louw builds on this premise and notes, "Ubuntu inspires us to expose

in himself and not a means."

The spirituality of mutuality in ubuntu, as it has influenced South African business leaders, allows for the breaking down of the superficial and artificial barriers between the individuals in the community and allows them to see the other and discover their mutual humanity. In doing so, this fosters a caring community that allows for the respectful tolerance of social, cultural, economic and philosophical differences.

The Construct of Kenosis

The Christian theological construct of kenosis is developed from the occurrence of the Greek word *kenao* in Paul's letter to the Philippians (2:5-11),

where it describes the voluntary self-emptying of Christ in the incarnation.

Kenosis, as an ethical construct of the Christian doctrine of incarnation, speaks of a very specific belief in the mode of God's interaction with the world. In the doctrine of incarnation, the Christian claim is that God actually lived the life of a man in Jesus of Nazareth and thus the kenosis of God in Christ provides an ethical and philosophical mode of leadership that is based on voluntary abasement and mutuality with all of humankind. Any musings on the values of kenosis ride on the belief in a present and actively-involved God.

The philosophy of kenosis, building on the doctrinal tenets of the incarnation, positions itself in a recognition and appreciation of a specific culture. Appropriating the values of kenosis in leadership requires the identification and acceptance of the social and cultural locality of the self and the other as the beginning point in (re)building just and inclusive communities.

Interpreted in readings of Philippians 2:5-11, Christian leaders interpreted the birth, life, death and resurrection of Jesus Christ and applied its meaning within their own temporal context.

Kenosis was often seen as a mystical communion with the kenotic Christ that led to personal transformation of both the leader and follower and enabled them to practice kenosis (self-emptying) as Christ did. This resolute divesting of the prestige and power inherent in the leadership transaction enables the leader and follower to enter into a new union that is marked by equality and service. The missiologist, Yves Raguin, commenting on kenosis explains it this way, "Kenosis, then, is the gateway to mutual understanding, and beyond this, to an intimate sharing that is the consummation of a relationship in union...By dispossession of self we are able to absorb the amazing riches of others."

The values of kenosis allow the leader to transcend narrow selfhood, to locate

the other in the mutuality of love and to truly enter into the world of the follower where the leader becomes the servant of the other. This is a state of mutual acceptance, vulnerability and receptivity. This overcoming of the separation between leader and follower finds its deepest dimension in kenotic love and self-sacrifice that negates the "dream of separateness" (in the words of American Trappist monk, Thomas Merton). Or, as Merton scholar, Jens Söring rightly observes, "The connection between kenosis and service runs far deeper than a mere recognition of the divine spark in our broken, anguished brothers and sisters... taken to its ultimate conclusion, self-emptying must logically lead to self-sacrifice."

The central value of mutuality in the theological construct of kenosis allows

"...Suddenly overwhelmed with the realization that I loved all those people, that they were mine and I was theirs, that we could not be alien to one another even though we were total strangers. It was like waking up from a dream of separateness, of spurious self-isolation."

- Thomas Merton

the leader to locate the follower in their mutual humanity and so find their deepest identity in a communal, redefining, liberating and empowering relationship of self-sacrificial love.

Mutuality in Kenosis and Ubuntu

South African theologians, like Jonathan Draper has observed that there are strong parallels between ubuntu and the philosophical and ethical tenets of the early Jesus movement. "The African practice of affective community, of fundamental humanity, seems to me to relate closely to what emerges from a sociological/anthropological analysis of the Jesus movement. We are human only in society; we attain full humanity only through a liberative, empowering relationship with other beings in community," notes Draper.

South African scholar, Eric Doxtader, analyzed the philosophy and praxis of Desmond Tutu. Doxtader places the theology of this national Christian leader within ubuntu and kenosis, while clearly indicating that the bridge between these two constructs is the common value of mutuality. "A centerpiece of his ubuntu theology, Desmond Tutu has relied heavily on this kenotic view to explain the value of reconciliation. An expression of human interdependence, forgiveness mirrors God's self-sacrificing love. Thus, as we recognize our dependence on God and neighbour, forgiveness appears as a productive vulnerability," says Doxtader. "The abandonment of sovereign identity allows humans to redress oppression through a relation of difference. Forgiveness overcomes sin as it strives toward mutuality. The breaking down of the middle wall of partition energizes the development of an alternative society," he continues.

Note how Doxtader indicates that this Christian praxis informed by ubuntu and kenosis leads to societal renewal and change. Other have noted how the philosophy of ubuntu connects with other Western ethical systems and supports the idea that locating the other in mutuality creates an ethical proximity and so facilitates personal and communal transformation.

Therefore, ubuntu and kenosis find common ground in the value of mutuality, where the wall of separation between leader and follower is removed as they locate and redefine one another in their common humanity and so set in motion a renewed ethical movement that facilitates the (re)building of a just and caring society. Incorporating the values of ubuntu and kenosis in business leadership, leaders should implement these leadership approaches marked by a determined commitment to mutuality: (a) ensuring continuous integrated development where all have equal access to education and growth opportunities; (b) creating an organizational culture of mutual respect and dignity by the acceptance and celebration of the cultural and social locality of all employees; and (c) constructing a sense of interconnectedness with all through

the consistent communication of the organization's values, visions and goals.

The Truth and Reconciliation Commission (TRC) of South Africa and the Nelson Mandela Children's Fund are good examples of organizations that have successfully incorporated the values and ideals of ubuntu into a social movement that have made significant contributions to the rebuilding of South African society. The question remains if commercial organizations in Southern Africa will hear the call of ubuntu and kenosis to locate the common humanity of those they serve in taking stances of radical mutuality.

Summary Comments

Strong parallels exist between kenosis and the social philosophy of ubuntu. Ubuntu and kenosis, as related to business leadership, work together within the value of mutuality where both leader and follower locate the other in moments of incarnation and so enter into a redefining relationship marked by self-sacrificial love and common humanity. The parallels between ubuntu and kenosis allow for the construction of a value-based style of business leadership in Southern Africa that is both African and Christian where leader and follower attain full humanity through a liberative, empowering relationship of radical mutuality.

Dr. Corné Bekker is an associate professor for the School of Global Leadership & Entrepreneurship at Regent University where he teaches in the doctoral programs and is actively involved in research on the use of biblical hermeneutics and spirituality to explore leadership. He holds degrees in Greek and Biblical Studies (B.A.), New Testament Theology (M.A.) and Biblical Studies (D. Litt et Phil.) from Rand Afrikaans University in Johannesburg. In addition, Dr. Bekker is an ordained minister and has traveled in Africa, Europe, the East and North America to present at churches, ministries, seminars and academic conferences on Christian spirituality and leadership formation. Dr. Bekker is currently completing a second doctorate in Christian Spirituality at the University of South Africa and can be reached at clbekker@regent.edu.

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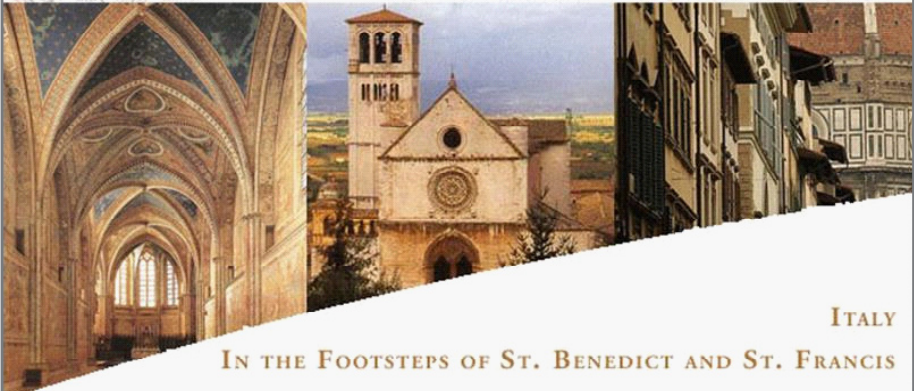
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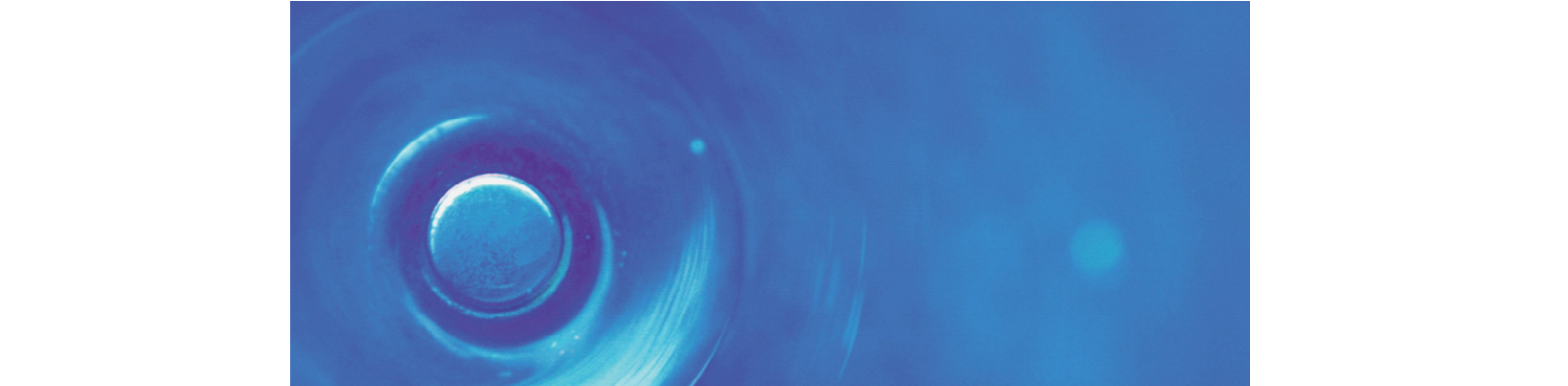


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COLOSSAL FAILURE

Why Wal-Mart Did Not Succeed in South Korea

By Franco Gandolfi, Mindy Braun, Phil Nanney & Ki-Jun Yoon

No matter the controversy that has surrounded Wal-Mart Stores Inc., the retail giant remains a tremendous success story. It is the largest private employer in the world and with sales revenues surpassing \$350 billion in 2007. Wal-Mart is America's largest retailer and boasts an estimated 20 percent market share of America's retail grocery and consumables markets. As of September 2007, Wal-Mart was represented through more than 2,700 wholly-owned operations and joint ventures in 14 countries outside the US. Despite Wal-Mart's unprecedented success, from its humble beginnings as a

discount shop in Arkansas to one of the world's most powerful and successful corporations, there were two occurrences in

2006 that deeply impacted Wal-Mart's unrelenting quest to expand globally – Wal-Mart was forced to withdraw international operations in both Germany and South Korea. While the pull-out from Germany was highly publicized, the South Korean withdrawal or failure received almost no media attention in the United States.

Wal-Mart's global expansion is the result of green-field investments, acquisitions of existing stores, and joint-ventures. With impressive financial results during the 2006 fiscal year with end sales reaching

\$62.7 billion and operating profits at \$3.3 billion, these strategies gave the company excellent market penetration and effectively positioned them for future growth. With more than 500,000 associates in its international markets alone, Wal-Mart sees its rapid expansion throughout North America, Latin America, Asia, and Europe as a solid foundation with many promising areas for further growth. While store development and in-country expansion are significant, it is not the only measurement of Wal-Mart's stunning achievement.

Wal-Mart International also has an ability to transport and transfer the company's unique culture and effective retailing concepts to each new market. Wal-Mart International claims that it makes a concerted effort to embrace and adapt to local cultures and become deeply involved in the local community. Associates

respond to local customer needs, merchandise preferences, and local suppliers. By serving each new market in the same way, Wal-Mart International has realized considerable efficiencies and synergies.

Wal-Mart in South Korea

In August 1998, Wal-Mart acquired four stores and six undeveloped sites in South Korea. At the time, the units were operated as Makro stores, a chain of Netherlands-based membership clubs. Three of them were located in the capital city of Seoul and one in Taejon. Each store was a single level unit with more than 100,000 square foot space. Since Makro had only been operating in South Korea for two years, the stores were fairly new.

Wal-Mart's international division Senior VP and COO, Carlos Perez, was also part of Makro's entry into South Korea when he was executive VP of Makro. At the time, South Korea's economy was on a rebound and its currency had declined sharply in 1997 along with all other Asian countries. After a new president took office in 1998, the currency recovered much of its value in the wake of Asia's financial crisis. The new government pledged to let market forces, rather than the government itself, dictate the process of reconstruction.

Wal-Mart believed that the long-term potential for South Korea's operations to contribute to the sales of Wal-Mart's international division was considerable. While the geographical size of South Korea is comparable to the size of Florida, the population is three times as large. At the time, there were 135 Wal-Mart stores and 33 Sam's Club stores in Florida. There was an underlying expectation that the successful business model in Florida could be replicated in South Korea.

However, prior to Wal-Mart's withdrawal, Wal-Mart was ranked in the mere bottom five major discount stores in all of South Korea. According to Wal-Mart's spokesperson, Wal-Mart South Korea had sales of about 750 billion won (\$787 million) in 2005, when in fact, at

Wal-Mart International 2007*		
Argentina	El Salvador	Mexico
Brazil	Guatemala	Nicaragua
Canada	Honduras	Puerto Rico
China	India	United Kingdom
Costa Rica	Japan	
Source: Wal-Mart Stores, Inc. - *Represents more than 500,000 associates		

a subsequent press conference in Seoul, it was revealed that the company had operating losses of nearly 9.9 billion won (\$10 million) in 2005.

On May 22, 2006, Wal-Mart, the world's largest retailer, added their name to a list of multinational firms (Nokia, Nestlé, Google) that failed to adjust to the taste of South Korean consumers. Wal-Mart sold its 16 stores to Shinsegae for 825 billion won (\$882 million), which constituted a considerable loss. Wal-Mart was the second Western retailer to retreat from South Korea in less than a month.

France's Carrefour, the world's second largest retailer behind Wal-Mart, had sold its 32 South Korean outlets to local retailer E-Land on April 28, 2006 for \$1.85 billion (1.75 trillion won) – also at a significant loss. As an alternative strategy, Wal-Mart focused on those foreign markets that were most profitable for the firm and its stakeholders and its focus turned back to Latin America, a booming economic zone.

South Korean Consumer Preferences

Most individuals believe that Wal-Mart failed to understand South Korean's consumer preferences. Wal-Mart had relied on its proven business model and its strategy in offering low prices for products. However, low prices alone were insufficient to make a successful business case in South Korea. South Koreans have different consumer preferences than Americans do; they are not necessarily interested in the same products. For instance, South Koreans like fresh vegetables and fresh

food rather than dry products and the type of clothing that Wal-Mart sells. The South Korean culture is also very tied into its markets; they are one of the largest countries that are deeply involved in local markets.

Some individuals commented that the location of Wal-Mart was poor and miscalculated. A South Korean professor Byung-Chul Shin commented, "The most important mistake of Wal-Mart South Korea was its location."

Most Wal-Mart outlets in South Korea were placed outside instead of in the cities. South Koreans expect easy accessibility to shopping facilities within the larger cities without the need to travel. Also, South Korean consumers shop more frequently than most Americans do. They may not purchase many things at once, but they will usually get at least one item. Some individuals felt that Wal-Mart should have been located in the center of the cities where consumers felt more comfortable with their shopping needs.

South Koreans do not distinguish between discounts and normal prices. Thus, they may not see a compelling reason to shop at Wal-Mart. Gen Kanai, a South Korean marketing professional observed, "Wal-Mart put off South Korean consumers by sticking to Western marketing strategies that concentrated on dry goods, from electronics to clothing, while their local rivals focuses on food and beverages, the segment that specialists say attract South Koreans to hypermarkets. South Koreans really like fresh vegetables and beverages."

South Koreans are also visually-oriented customers. They tend to purchase products not just because of the product itself, but also because of its appearance or the service the customer receives in the store. "In fact, some South Korean ladies do not like the warehouse-like atmosphere of Wal-Mart, which the American consumers seem not to mind since the products are still cheap. They prefer the department store-like, neat, clean, and sophisticated atmosphere. If you go to E-mart which is the biggest South Korean supermarket, you never think of it as a discount market," said Hye-Won Jang, of the Korea Times.

These and other characteristics seem subtle and intricate to the foreign observer, yet are obvious, even standard to local marketers. As a result, local perspective among Koreans is that Wal-Mart's failure in South Korea was primarily due to its inability to understand the shopping preferences of local consumers and to adjust its business model to the prevailing domestic culture.

Wal-Mart's View on its Economic Failure

Wal-Mart is a corporation unaccustomed to failure. In contrast, Wal-Mart is used to success, and not just any success, but success on a colossal scale. When financial failure struck at Wal-Mart, there were many stunned constituencies. Mike Duke, Vice Chairman of Wal-Mart Stores, Inc. oversees international operations. His perspective was that in the existing environment at that time "it would be difficult for us to reach the scale we desired."

Wal-Mart also believed the pursuit of its Western market strategies that mainly focused on dry goods, electronics, and clothing hurt them while in South Korea. For example, E-Mart used techniques, such as megaphones and hand clapping along with fancy displays, while Wal-Mart sold products out of boxes. Wal-Mart designed its South Korean stores based on US customer preferences, but different cultures have different idiosyncrasies.

Wal-Mart has come to realize that even though it is a very large, powerful

firm, it is subject to relentless market, environmental, and business pressures and continually exposed to localized cultural expectations. The retailer learned that local customization, flexibility, and adaptation are essential ingredients in the successful pursuit of international business operations. Consequently, Wal-Mart's view on its own failure was that South Koreans simply preferred their own domestic shopping centers. A similar situation occurred in Germany where Wal-Mart withdrew its 85 stores.

An External Perspective on Wal-Mart's Failure

Unsurprisingly, various constituencies have speculated about Wal-Mart's failure in South Korea. While not widely exposed in the U.S. media, international business analysts had no shortage of perspective, "Wal-Mart is a typical example of a global giant who has failed to localize its operations in South Korea," said Na Hong Seok, an analyst at Good Morning Shinhan Securities in Seoul.



Wal-Mart International Executives at the New York Stock Exchange. Courtesy of Wal-Mart Stores, Inc.

South Koreans strongly believe that Wal-Mart brought over its Western sales tactics and company culture. South Korean consumers are generally not interested in shopping in a store that has distinctly American flavor and style. In fact, South Korean consumers expect to see local products presented in a localized fashion; this is probably the main reason why South Koreans did their shopping at E-Mart rather than Wal-Mart. Even when Wal-Mart first arrived in South Korea it was not in a position to capture greater market share nor to force competitors to sell its products at lower prices. Wal-Mart could not offer what localized stores, such as E-Mart had. Thus, many consumers stated that they preferred shopping at

E-Mart because of the localized feel.

Moving Forward from Failure

What lessons can be learned? The most important aspect for firms going global is that they must know what the local consumers really want, desire, and need. American commentator, Ray Bracy explains that Wal-Mart was unable to connect with South Korean consumers because of bad strategy and overlooked "adapting its business model to the complexities of foreign markets." Others, such as Young-Gu Ham believe that Wal-Mart's lesson in South Korea is salvageable, "If they change their strategies and make an effort to satisfy local customers, Wal-Mart will definitely succeed anywhere in the world."

As firms expand internationally the virtues of flexibility and adaptability become of primary significance. However, these areas of strengths are by design, rather than by accident. They need to be incorporated into the strategic thinking of firms intending to go global. Said best by Byung-Chul Shin, "Firms need to focus on the differences between countries; Wal-Mart will be a good example for other firms wanting to go global. And, with the exception of core values he concludes, "it is essential for companies to change their strategies... to succeed in international markets."

Dr. Franco Gandolfi serves as the MBA program director and associate professor of human resources management (HRM) in the School of Global Leadership & Entrepreneurship at Regent University. He holds degrees in Commerce and Adult Education from the University of Sydney and doctoral qualifications in Business Administration from Southern Cross University, Australia. Dr. Gandolfi consults with international corporations and is also an accomplished researcher with published articles in numerous international journals. His recent book, *Corporate Downsizing Demystified: A Scholarly Analysis of a Business Phenomenon* published by ICAFI University Press (2006) has received great acclaim. Dr. Gandolfi can be reached at fgandolfi@regent.edu.

Mindy Braun, Phil Nannery & Ki-Jun Yoon are MBA students at Cedarville University in Ohio.

Notes: (Continued from p. 25)

1. Global expansion strategies are discussed in: Jang, H. (2006). Is globalization succumbing to globalization? Retrieved from <http://times.hankooki.com/1page/opinion/200607/kt2006071818021854070.htm>
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