



TRUTH ABOUT
CROSS-CULTURAL >>>>
B2B RELATIONSHIPS

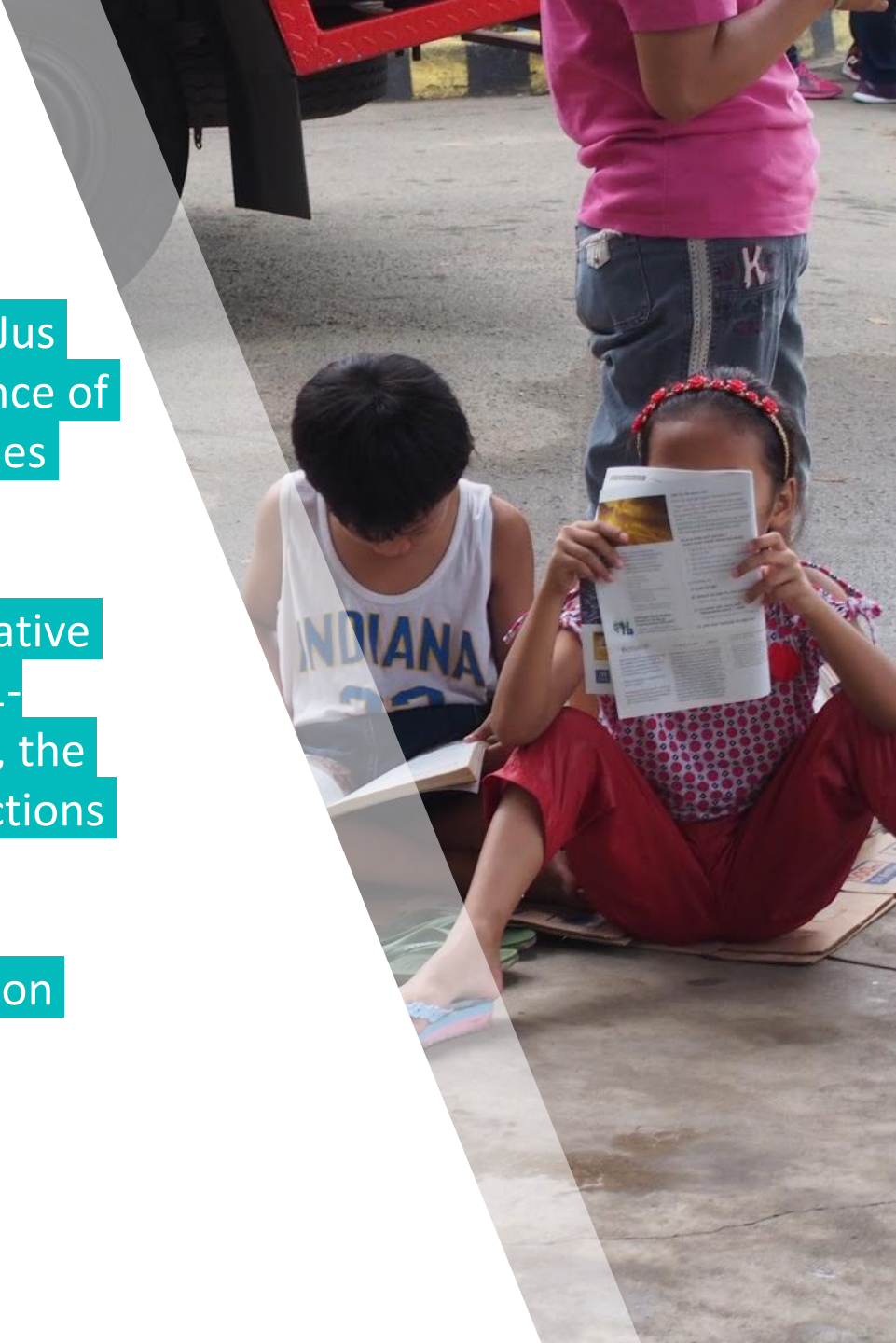


OVERVIEW

In a strategic collaboration, the International Chamber of Commerce, Jus Connect, and McCann Truth Central have united to explore the influence of cultural factors on the success of business relationships between parties from diverse cultural backgrounds.

Using a robust approach to uncovering insight including 1,701 quantitative interviews with B2B decision-makers across 9 countries as well as 20 1-hour depth interviews with leaders in business and dispute resolution, the cross-industry team have arrived at 7 key truths and recommended actions for professionals engaged in international relationships.

Further detail is provided in a comprehensive whitepaper available upon request.



KEY TRUTH #1

EMOTION AND CULTURE SIGNIFICANTLY
IMPACT B2B JOURNEYS



KEY TRUTH #1

INTERNATIONAL B2B IS A HUMAN EXPERIENCE

When discussing the benefits of B2B decisions, businesspeople are more likely to focus on the social, personal, or emotional benefits over functional business outcomes. However, despite this emphasis, B2B marketing often overlooks emotional communication in favor of features and functions. Research underscores the potency of emotional communication with customers in driving sales and profitability.

To capitalize on this insight and foster stronger client relationships, businesses should consider developing training programs for teams focused on emotional intelligence and cultural awareness. Such programs can enhance relationship-building skills, aligning marketing efforts with the emotional drivers that influence B2B decision-making, and ultimately leading to increased success in capturing market share and driving profitability.



KEY DATA

A previous B2B [study by Google, CEB & Motista](#), found that B2B decision makers are:

2x more more emotionally connected to B2B suppliers, than to consumer brands.

For example, 70% of Cisco B2B customers are emotionally connected to the brand, compared to 40% to Apple and just 10% emotionally connected to McDonalds.

B2B relationships have a huge personal impact. The same study found 43% considered the benefits of B2B success to be personal (career advancement, social standing, confidence) compared to 21% who valued the impact on functional and profit-based business outcomes.

We set out to define the emotions and moments they happen...

When we asked 1,701 international business leads to describe the primary emotion they feel when engaging in international business, the top three emotions mentioned are:

“Happy, Excited, Satisfied”

They are...

- 6 times more likely to mention **happiness** than **fear**
- 5 times more likely to mention **happiness** than **anxiety**

Base: survey of 1,701 global business leaders



ACTION

DEVELOP TRAINING PROGRAMS FOR TEAMS ON EMOTIONAL INTELLIGENCE AND CULTURAL AWARENESS TO ENHANCE RELATIONSHIP-BUILDING SKILLS



KEY TRUTH #2

B2B RELATIONSHIPS ARE EMOTIONALLY CHARGED FROM
INITIAL ENGAGEMENT TO LONG-TERM PARTNERSHIPS



KEY TRUTH #2

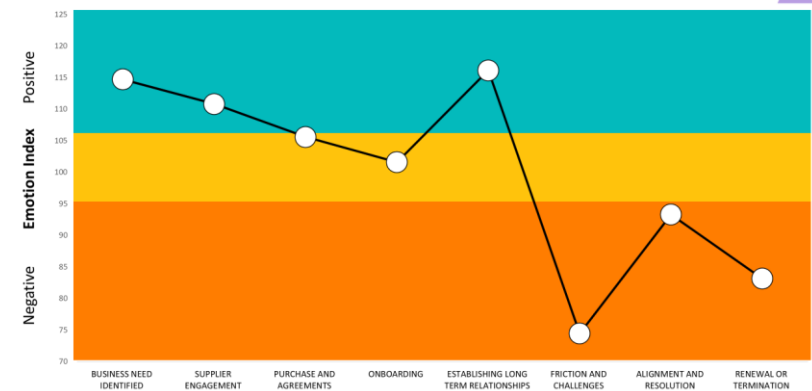
B2B RELATIONSHIPS ARE AN EMOTIONAL JOURNEY

The key emotions experienced by businesspeople in international trade are predominantly positive, associated with optimism and anticipation of expanding into new markets and enhancing business opportunities. However, when considering emotions at each key stage of the business relationship, as shown by index scores, B2B relationships are described as an emotional rollercoaster.

Emotional highs occur during the identification of business needs, supplier engagement, and establishing long-term relationships, but emotional disengagement increases during contract finalization. Emotional lows are experienced if facing business friction and challenges, leading to decisions about contract renewal or termination before moving onto new partnerships.



BUSINESSPEOPLE ENGAGE EMOTIONALLY IN THE B2B JOURNEY



Base: Global Business Leaders (n=1701)

KEY DATA

Emotional B2B relationships vary, depending on the stage of the relationship and swing from strong positive to strong negative, because the impact and implications of the relationship going well, or badly has high stakes for the individual.

We asked 1,701 business leads to rate the emotion of each key stages of a typical B2B journey. On this scale, a value between 95 and 105 represents neutral emotions, 105-125 representing positive emotions, and 70-95 representing negative emotions:

- Business need identified - 115
- Supplier engagement - 111
- Purchase and agreements - 106
- Onboarding - 102
- Establishing long term relationships - 116
- Friction and challenges - 74
- Alignment and resolution - 93
- Renewal or termination - 83

Key implication:

B2B projects start with high positivity when the idea and project starts.

The highest positive and lowest negative emotions are focused on the long-term relationship of deliver and resolving challenges.

Risk alert: Business leads have lower emotional engagement during the stage of agreements and onboarding new suppliers. This creates a risk of business leaders paying less attention to the process of establishing the contract and set-up that will impact the future success of the relationship they're excited to engage in.



ACTION

IMPLEMENT REGULAR CHECK-INS WITH CLIENTS AND SUPPLIERS TO ADDRESS EMOTIONAL HIGHS AND LOWS, ENSURING STRONG COMMUNICATION



KEY TRUTH #3

CULTURAL FLUENCY
IMPROVES
BUSINESS FLUIDITY



KEY TRUTH #3





CULTURAL FLUENCY IMPROVES BUSINESS FLUIDITY

Analysis has shown that successfully reducing the worries of international parties during initial engagement relies heavily on navigating cultural nuances and communication barriers effectively. This highlights the significance of cultural competency and cross-cultural communication skills in global business interactions.

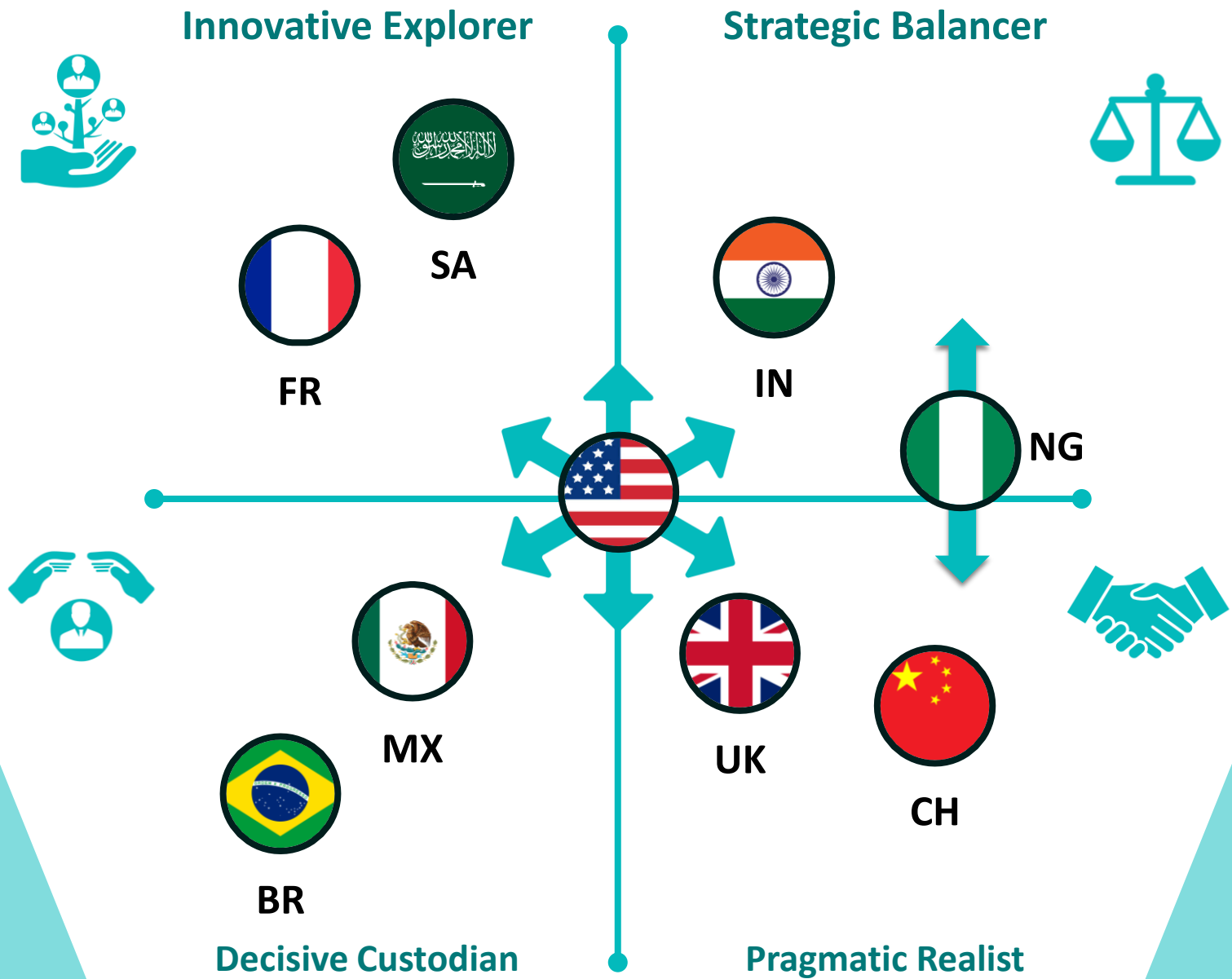
For business professionals, this insight suggests a need to remap the world based on cultural differences and similarities rather than geographical positioning, ensuring that geography doesn't influence expectations and approaches when doing business internationally.

Additionally, tailoring strategies to resonate with cultural preferences fosters stronger collaborations, capitalizes on innovation opportunities, and enhances cross-cultural competence for successful ventures in these markets.



SEGMENTS	PREFERENCES	WATCH-OUTS
 Innovative Explorer	<ul style="list-style-type: none"> • Collaboration • Co-creation • Stretching goals • Emotional chemistry 	<p>Watch out for:</p> <ul style="list-style-type: none"> • Unrealistic goals • Customer not always right
 Strategic Balancer	<ul style="list-style-type: none"> • Creativity • Calculated risk • Realistic goals • Proven track record 	<p>Watch out for:</p> <ul style="list-style-type: none"> • Transparent & direct feedback (even if offense is caused)
 Pragmatic Realist	<ul style="list-style-type: none"> • Practical approach • Give second chances • Prefer meeting agendas and clear expectations 	<p>Watch out for:</p> <ul style="list-style-type: none"> • Comfortable with pragmatic “little white lies”
 Decisive Custodian	<ul style="list-style-type: none"> • Structure • Value contracts • Directness with discretion • Prefer senior partners 	<p>Watch out for:</p> <ul style="list-style-type: none"> • Contract cancellations if project isn't working

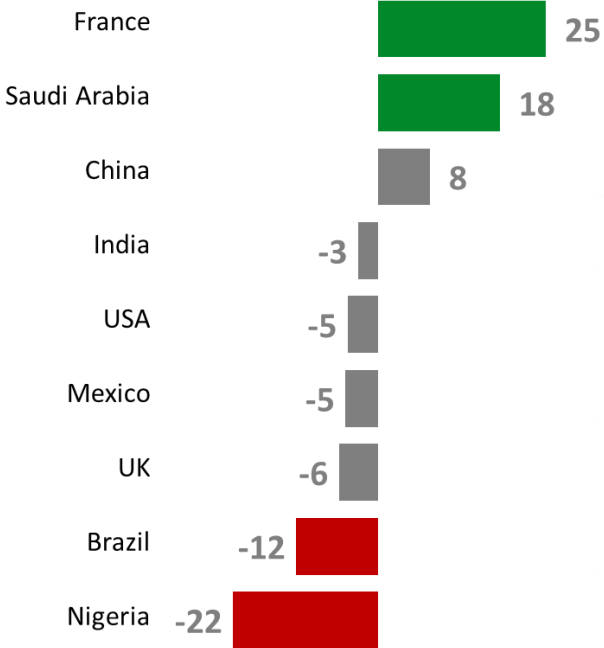
Note: All four segments of behavior exist in all 9 markets. The positioning shows where countries significantly over-index vs the global average in having more business people in their country preferring the business behaviors of that segment.



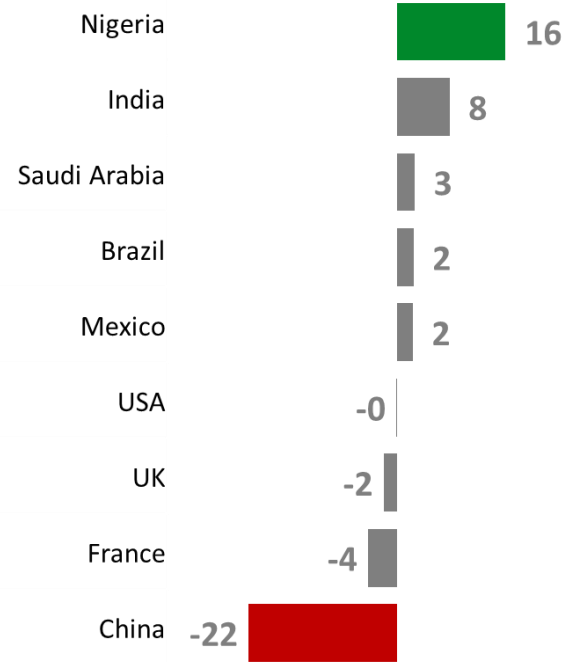
KEY DATA



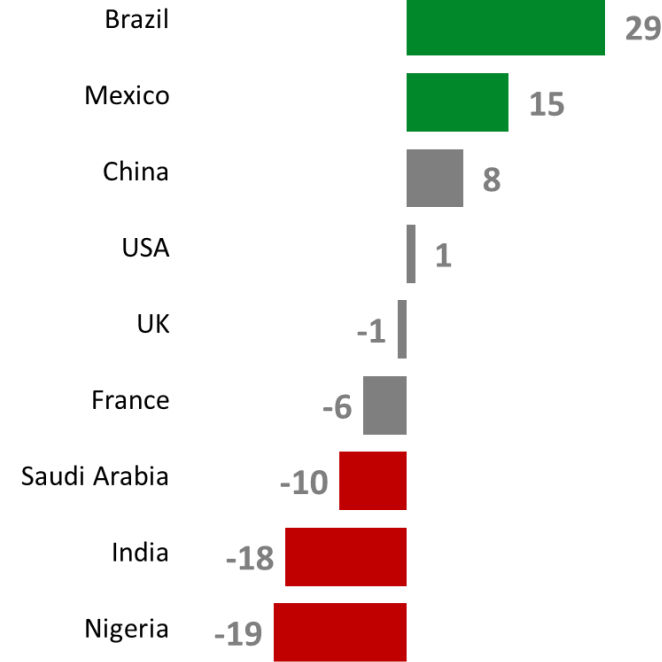
Innovative Explorer Country Prominence



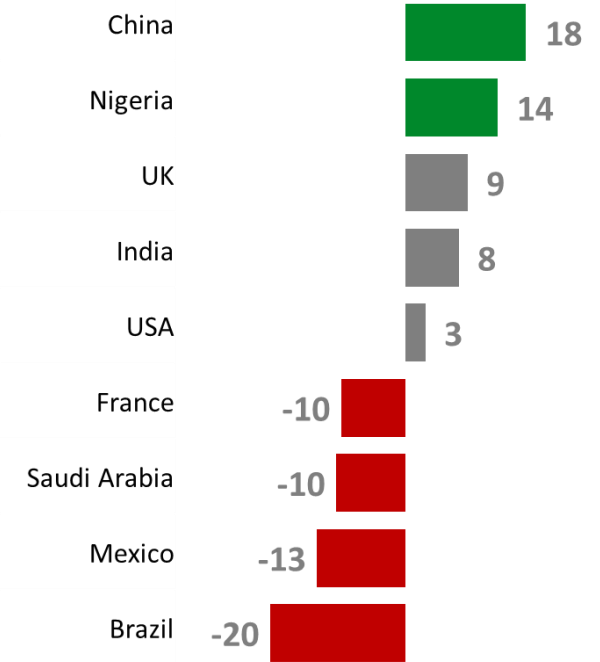
Strategic Balancer Country Prominence



Decisive Custodian Country Prominence



Pragmatic Realists Country Prominence



Shows country index difference, based on average of:
I'm OK to sometimes attend meetings without an agenda
I prefer to set stretching, sometimes unrealistic, goals
If contracts fail, the customer is usually at fault
Emotional chemistry and desire to work together matters most
Involve a mix of senior and junior decision-makers to bring diverse perspectives and foster innovation
Collaboration and co-creation matters most

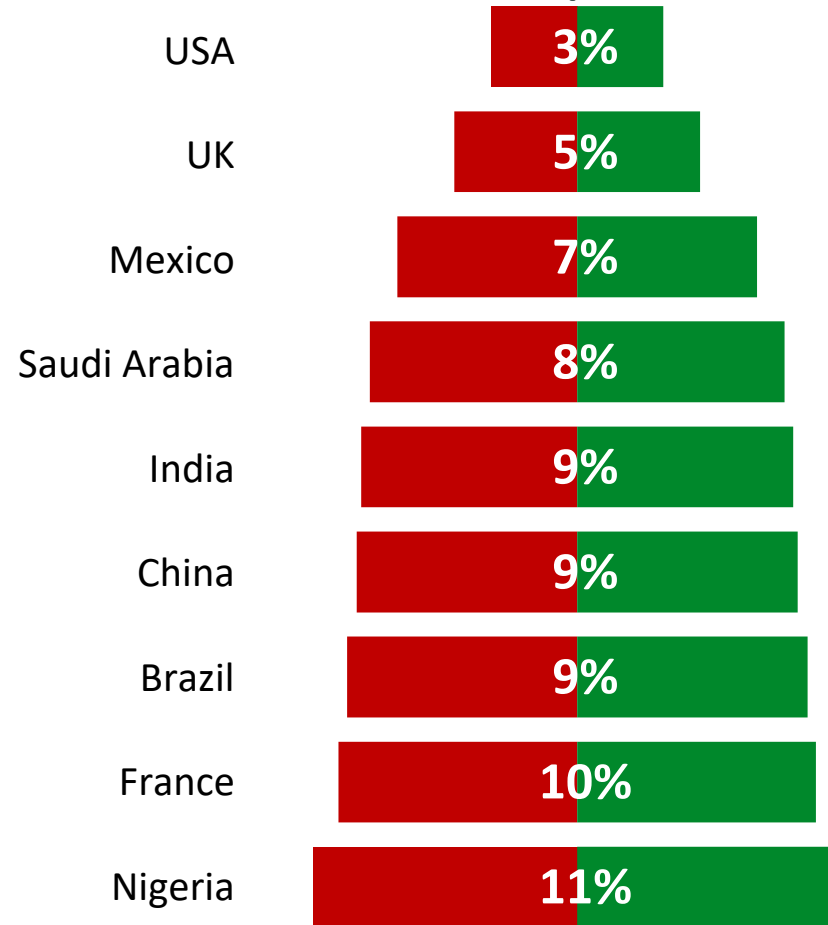
Shows country index difference, based on average of:
I prefer to address concerns promptly, even if someone gets offended
I prefer being creative and willing to take risks
I prefer to set realistic and achievable business goals
I want impressive case studies and proven track record
It's never OK to tell little white lies to customers or suppliers
If a supplier lets me down, I'll tell my network about it

Shows country index difference, based on average of:
If a supplier lets me down, I'll keep it private
Structured approaches and contract agreements
Terminate the contract and business relationship and move to a new one
Primarily engage senior decision-makers to ensure decisive and strategic choices in the buying process
If someone made a mistake, I'd copy their boss on the email
I usually wouldn't give second chances to suppliers if they make a big mistake

Shows country index difference, based on average of:
The details of the exact requirements
It's OK to sometimes tell little white lies to customers or suppliers
I would usually give suppliers a second chance, even if they made a big mistake
I usually only attend a meeting with a clear agenda
Nothing matters more than my own businesses growth
Being pragmatic / practical

Standard Variation on all business behaviours (vs Global Average)

+/-



The US has the lowest difference vs the global average across all 50 behavioral attributes measured.

This suggests the highest ease of adaptability to different global business customs and cultures.

ACTION

USE THE BEHAVIORAL SEGMENTS TO ADAPT BUSINESS STRATEGIES AND COMMUNICATION STYLES, ENHANCING ADAPTABILITY AND REDUCING FRICTION



KEY TRUTH #4

FOR SOME BUSINESS-PEOPLE THE CONTRACT IS AN OPPORTUNITY TO LOCK IN A SCOPE OF WORK, FOR OTHERS IT'S THE START OF A FLEXIBLE RELATIONSHIP



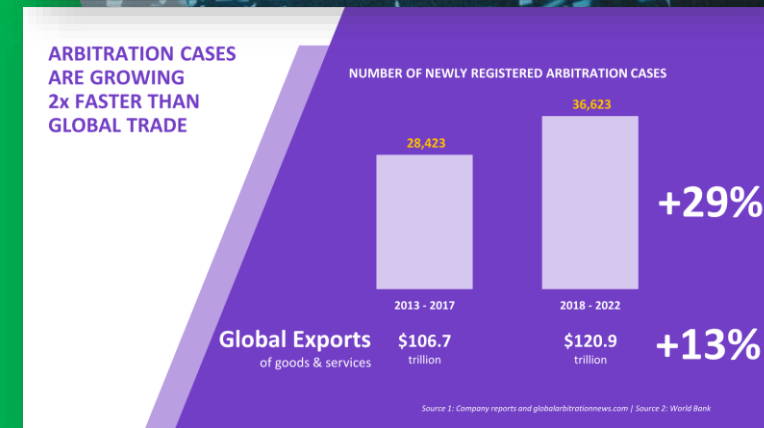
KEY TRUTH #4

Most Want To Succeed Together but Outcomes Vary

There is a strong inclination towards mutually beneficial partnerships in international business, where success is seen as a shared goal. Despite this, international dispute arbitration cases continue to grow, highlighting the growing challenge of international trade.

Businesspeople globally have varying perceptions of the reasons for unsuccessful partnerships, indicating the importance of both contractual clarity and fostering strong interpersonal relationships. Cultural background further informs these perceptions, emphasizing the need for understanding and respecting cultural preferences to tailor communication and negotiation strategies, ultimately enhancing success in cross-cultural business environments.

Additionally, differences in handling disputes reflect cultural norms and hierarchical structures, highlighting the importance of cultural sensitivity in conflict resolution across diverse business settings.



KEY DATA

WHAT'S THE BIGGEST REASON CONTRACTS FAIL?

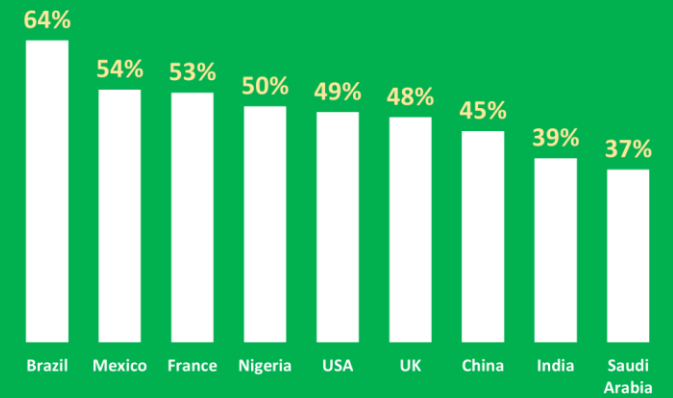
Sometimes in business, contracts and business relationships go wrong....
What's your view on contracts failing or business partners not meeting expectations?



Base: Global Business Leaders (n=1701)

"I prefer structured approaches & contract agreements"

(Vs. "I prefer Collaboration and Co-Creation")



ACTION

DURING CONTRACT NEGOTIATIONS, EXPLICITLY DISCUSS AND ALIGN ON EXPECTATIONS REGARDING FLEXIBILITY TO ENSURE MUTUAL UNDERSTANDING AND AGREEMENT



KEY TRUTH #5

BUSINESS BEHAVIOURS ARE REPRESENTATIVE OF
BIGGER CULTURAL PRIORITIES



KEY TRUTH #5

Small Behaviours represent Cultural Clues

Business behaviors, such as preferences for contracts or relationships and meeting styles, reflect larger cultural expectations.

These seemingly minor details unveil deeper cultural inclinations towards hierarchy, orderliness, adaptability, or creativity, shaping overarching business strategies and interactions.

Understanding these nuances is crucial for navigating cross-cultural business dynamics effectively.



KEY DATA

If someone made a mistake, I'd copy their boss on the email

China	34%
Saudi Arabia	33%
Brazil	31%
USA	28%
France	26%
Mexico	24%
UK	19%
India	18%
Nigeria	17%

**Vs "If someone made a mistake, I'd email just them"*

I prefer to address concerns promptly, even if someone gets offended*

India	74%
Nigeria	66%
USA	66%
Brazil	61%
Mexico	61%
France	59%
Saudi Arabia	56%
UK	56%
China	39%

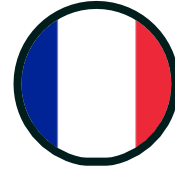
**Vs "I prefer to be discreet about raising concerns to maintain relationships"*

Business-people in China are more likely to demonstrate their cultural priority of hierarchy and respect for seniority by the micro-behaviour of copying a boss on an email chain... but also the most likely to provide that feedback in a discrete way to avoid offending people.

India, in contrast, are highly likely to give direct feedback (even if they offend), but are more likely to do it without escalating to a boss.

“I’m OK to not attend a meeting without an agenda”

(vs. “Usually prefer an agenda”)



57%

FRANCE



49%

SAUDI ARABIA



38%

GLOBAL



26%

INDIA



16%

NIGERIA



Key Attribute of a ‘Innovative Explorer’

Base: Global Business Leaders (n=1701)

ACTION

TRAIN TEAMS TO OBSERVE AND INTERPRET SMALL
BEHAVIORAL CUES DURING INTERACTIONS, TO GUIDE
STRATEGIC DECISIONS AND COMMUNICATION



KEY TRUTH #6

BUSINESS LEADERS FAVOR AMICABLE, INTEREST-BASED
DISPUTE RESOLUTIONS OVER LEGAL PROCEEDINGS



KEY TRUTH #6

Preference for Non-Legal Resolutions to Dispute

When faced with a business contract going wrong, a significant majority of businesspeople prefer interest-based approaches, prioritizing solutions like internal review, amicable resolution, and negotiation between legal teams.

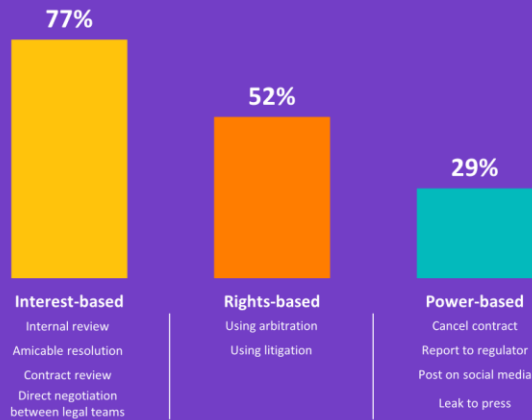
This indicates a preference for achieving a fair and equitable resolution over seeking fault or errors in the opposing party during legal dispute resolution processes.



KEY DATA

Preference for non-legal dispute resolution across cultures

"Which of these would you consider if a contract failed?"
(Average of all options)



Base: Global Business Leaders (n=1701)

Q: If a contract failed, which steps would you consider?

Internal review and assessment by service teams	86 %
Explore amicable means to reach a resolution	77 %
Review contract and agree amendments	76 %
Direct negotiation and review between in-house legal teams	69 %
Resolve the dispute through arbitration	60 %
Resolve the dispute through legal proceedings in a court	46 %
Report other business to industry regulator	36 %
Cancel the contract and walk away, some business deals don't work out	34 %
Post on social media about the other organization's mistake	24 %
Leak the contract breach to the media to apply pressure	21 %

"The best interest for my company, is zero disputes... even if that limits my personal and professional development to have court experiences."

Senior Legal Professional, Nigeria

ACTION

FACILITATE DIRECT NEGOTIATION CHANNELS AS THE FIRST LINE OF DISPUTE RESOLUTION, RESERVING LEGAL PROCEEDINGS FOR WHEN NEGOTIATIONS FAIL



KEY TRUTH #7

LAWYERS CAN BE INTEGRATED DEEPER INTO
THE B2B JOURNEY



KEY TRUTH #7

Evolving Role of Lawyers

While businesspeople commonly acknowledge the importance of involving external legal counsel in selecting litigation processes and determining legal proceedings' location, there's a growing sentiment that counsel should be engaged earlier in the business relationship.

Specifically, there's an emerging belief that legal counsel should be involved in addressing initial concerns and signing agreements. Notably, Saudi Arabian and Chinese businesspeople are more inclined to involve legal counsel across all stages of the business relationship, even in the delivery or provision of products or services.

This highlights an opportunity for legal professionals to play a more integral role in guiding and safeguarding business interactions from inception to completion, particularly in these regions.



ACTION

FOSTER PARTNERSHIPS BETWEEN LEGAL AND BUSINESS TEAMS TO
ENSURE INVOLVEMENT THROUGHOUT THE B2B JOURNEY



KEY TRUTH

ACTION

1	Emotional Influence: Emotion and culture significantly impact B2B journeys	Develop training programs for teams on emotional intelligence and cultural awareness to enhance relationship-building skills.
2	The Emotional Journey: B2B relationships are emotionally charged from initial engagement to long-term partnerships	Implement regular check-ins with clients and suppliers to address emotional highs and lows, ensuring strong communication.
3	Fluency reduces Friction: Behavior segments are a framework for anticipating a client or suppliers point of friction.	Use the identified cultural segments to tailor business strategies and communication styles, enhancing adaptability and reducing friction.
4	Contract Expectations Vary: For some the contract is the opportunity to lock a scope, for others it's a flexible relationship.	During contract negotiations, explicitly discuss and align on expectations regarding flexibility to ensure mutual understanding and agreement.
5	Small Behaviours represent Cultural Clues: Business behaviours are representative of bigger cultural expectations.	Train teams to observe and interpret small behavioral cues during interactions, to guide strategic decisions and communication.
6	Preference for Non-Legal Resolutions: Business leaders favor amicable, interest-based dispute resolutions over legal proceedings.	Facilitate direct negotiation channels as the first line of dispute resolution, reserving legal proceedings for when negotiations fail.
7	Evolving Role of Lawyers: Lawyers can be integrated deeper into the B2B journey.	Foster partnerships between legal and business teams to ensure involvement throughout the B2B journey.