

**UNIVERSITY OF VAASA  
FACULTY OF BUSINESS STUDIES  
DEPARTMENT OF MARKETING**

**Eija-Riina Riipinen  
BUSINESS GIFTS AND RELATED MEANINGS IN INTERNATIONAL  
CONTEXT  
CASE: FINNISH BUSINESS GIFT COMPANY**

Master's Thesis in  
Marketing

Degree Program  
International Business Studies

**VAASA 2007**

## CONTENTS

<b>LIST OF FIGURES.....</b>	<b>3</b>
<b>LIST OF TABLES.....</b>	<b>3</b>
<b>ABSTRACT .....</b>	<b>5</b>
<b>1. INTRODUCTION .....</b>	<b>7</b>
1.1. Background to the Study .....	7
1.2. Research Problem, Limitations and Framework of the Study .....	8
1.3. Previous Research in Business Gift Field .....	10
1.4. Structure of the Study .....	12
<b>2. GENERAL INFORMATION ON BUSINESS GIFTS.....</b>	<b>15</b>
2.1. Definition Business Gift .....	15
2.2. The Meaning of Business Gifts .....	17
2.3. Business Gift Research .....	19
2.4. Conclusion .....	22
<b>3. A REVIEW OF THE DECISION-MAKING AND PURCHASING THEORIES .....</b>	<b>23</b>
3.1. Decision-making in Consumer Markets.....	23
3.1.1. Needs.....	24
3.1.2. Cognition and Affect.....	25
3.2. Decision-making in Organizations .....	27
3.3. Consumer Purchasing Process .....	28
3.4. Organizational Purchasing Process .....	28
3.5. Business Gift Decision-making and Purchasing Process.....	31
3.6. Conclusion .....	33
<b>4. INTERNATIONAL BUSINESS GIFT GIVING .....</b>	<b>34</b>
4.1. Cultural Issues in International Business Gift Giving.....	34
4.2. Exporting .....	38
4.2.1. Export Entry Modes .....	40
4.3. Exporting Business Gifts in Case Company .....	43
4.4. Conclusion .....	45
<b>5. VALUE ADDING AND DIFFERENTIATION.....</b>	<b>46</b>
5.1. Value Adding .....	46
5.2. Adding Value Through Building Relationships .....	46

5.3. Differentiation .....	47
5.4. Positioning .....	48
5.5. Product Positioning .....	49
5.6. Conclusion .....	50
<b>6. METHODS OF RESEARCH.....</b>	<b>51</b>
6.1. The Method of Research .....	51
6.2. Qualitative Research .....	54
6.3. Validity and Reliability of the Study .....	55
<b>7. EMPIRICAL FINDINGS.....</b>	<b>56</b>
7.1. Company Presentations .....	56
7.2. Business Gift in General.....	58
7.3. Business Gift Decision-making Process.....	60
7.3.1. Business Gift Decision Maker as a Receiver .....	63
7.3.2. Importance of a Personal Sales Behaviour .....	64
7.4. Business Gift in International Context.....	65
7.4.1. Giving Gift Abroad.....	65
7.4.2. Taking the Gift Abroad.....	66
7.4.3. Cultural Differences .....	66
7.4.4. Importance of a Finnish Business Gift.....	68
7.5. Business Gift Positioning.....	69
7.5.1. Packaging .....	70
7.5.2. Differentiating from the Competitors.....	70
<b>8. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....</b>	<b>72</b>
8.1. Discussion on Empirical Part .....	72
8.2. Analysis of the Empirical Part .....	76
8.3. Summary of Main Findings and Theoretical Conclusions .....	77
8.3.1. Business Gift and Purchasing Process .....	77
8.3.2. Culture.....	82
8.3.3. Internationalization and Exporting.....	87
8.3.4. Value Adding and Differentiation .....	87
8.4. Cross-cultural Business Gift Decision-making and Giving Process .....	89
8.5. Managerial Implications .....	91
8.6. Suggestions for Future Research .....	93
<b>REFERENCES.....</b>	<b>94</b>
<b>Appendix 1: Questions Used in Interview .....</b>	<b>98</b>

## LIST OF FIGURES

<b>Figure 1.</b> Frames for the study	9
<b>Figure 2.</b> Theoretical Framework	13
<b>Figure 3.</b> Maslow's hierarchy of needs (Dubois 2000:32)	25
<b>Figure 4.</b> Buying Determinants Theory (Ellson 2004: 106)	27
<b>Figure 5.</b> The organizational buying process after Robinson et al. 1967 (de Chernatony et al. 2003: 176)	29
<b>Figure 6.</b> Elements of the Gift Culture and Steps for the Professionalization of the Gift Giving Behaviour of Companies (Bruhn 1996: 67)	32
<b>Figure 7.</b> How often Gifts are Given to Third Parties (Bruhn 1996: 66)	32
<b>Figure 8.</b> Who from the Third Party Gets the Gift (Bruhn 1996: 66)	33
<b>Figure 9.</b> Example of Hofstede's dimensions, World Average	37
<b>Figure 10.</b> Export operations after Luostarinen and Welch (1997: 20)	41
<b>Figure 11.</b> Localisation Vs. Globalisation according to Lasserre (2003)	44
<b>Figure 12.</b> Cross-cultural business gift buying determinants	81
<b>Figure 13.</b> Cross-cultural business gift buying process	81
<b>Figure 14.</b> Most important dimensions affecting the business gift decision-making and giving to different cultures	83
<b>Figure 15.</b> Comparing Finland to UK and USA	84
<b>Figure 16.</b> Comparing Finland and Russia	85
<b>Figure 17.</b> Comparing Finland to Arabian countries	85
<b>Figure 18.</b> Comparing Finland to Asian countries' average	86

## LIST OF TABLES

<b>Table 1.</b> Previous studies in business gift area used in this study	11
<b>Table 2.</b> Business gift categories After Mikluha	17
<b>Table 3.</b> Gifts by types and giving occasions (Mikluha 1997:10)	18
<b>Table 4.</b> Why Firms Go International (Czinkota et al. 2004: 226)	39
<b>Table 5.</b> Change agents in the internationalisation process (Czinkota et al. 2004: 230)	40
<b>Table 6.</b> Qualitative Versus Quantitative Research (Malhotra 1999: 148.)	53
<b>Table 7.</b> Cross-cultural business gift decision-making process	90



---

**UNIVERSITY OF VAASA****Faculty of Business Administration**

<b>Author:</b>	Eija-Riina Riipinen
<b>Topic of the Thesis:</b>	Business Gifts and the Related Meanings in International Context
<b>Name of the Supervisor:</b>	Peter Gabrielsson
<b>Degree:</b>	Master of Science in Economics and Business Administration
<b>Department:</b>	Marketing
<b>Major Subject:</b>	Marketing
<b>Degree Program:</b>	International Business Studies
<b>Year of Entering the University:</b>	2002
<b>Year of Completing the Thesis:</b>	2007

**Pages: 98**

---

**ABSTRACT**

Business gifts are important part of companies' relations. The gifts are given in many occasions, like on birthdays or during a business meeting. This study focused on the cross-cultural business gift giving, especially when the giver is Finnish and the receiver is from another culture. The study represented the most important points of the cross-cultural business gift giving, especially for the decision maker of the giving company and the business gift company. Culture was in focus. The aim of the study was to describe the cross-cultural business gift decision-making process and the factors related to it.

The theoretical framework consisted of three main fields, decision-making and purchasing, international aspect, and value adding. The framework consisted of the basic information and research done on business gift field. This study was a case study. The case company was a Finnish business gift company. The nature of the study was descriptive and it was function-analytical. The empirical part of the research was qualitative. The qualitative data was collected by interviewing three decision makers from the case company's customer companies.

The result, a cross-cultural business gift decision-making process follows the stages of normal organizational decision-making and purchasing process with one difference: almost all of the feedback on post-giving stage does not come to decision maker's consciousness. The previous researches support the results of the culture's importance and awareness for both the giver's and receiver's culture. That is why, it is important in the future, to develop the existing feedback system and to create a better and more systematic monitoring system.

---

**KEYWORDS:** business gift, culture, decision-making, cross-cultural.



## 1. INTRODUCTION

### 1.1. Background to the Study

Business customs and manners are in a daily concern for managers who are operating in international field. Business gifts are one part of that. The business gift decision-makers have a great responsibility for choosing the suitable gift for specific occasion. There are lots of things the decision maker has to notice when choosing the gift. The aim of this study is to reveal the things and thoughts behind the business gift decision-making, especially when the gift is given abroad, to another culture, and to a representative of another culture. When writing a word "liikelahja" in Finnish in Google, you get approximately 20,800 links. Word "business gift" gives you over 300,000,000 sites where you can find information about business gifts. It can be seen that the business area is very filled and competed. How to be different from the competitors, how to compete and get the attention for your company and product in business gift industry?

Giving a business gift is mostly, in every case a very sensitive and perhaps, a difficult situation. The decision maker has a huge responsibility to make the gift process successful. In the best case, a good gift choice has further positive effects on the minds of the company executives and it can lead to huge financial benefits. In the worst case, giving a "bad-choice" gift can end up in a bad result, where the business relations are harmed and the giver company suffers from financial lost. A company could even miss its contract when the receiver is not pleased or even negatively shocked from the gift. Especially when the gift is given to a long-distance culture, these things could happen. (Beltramini 2000)

That is why the business gift selling companies have a big responsibility. When offering a "bad-choice" gift to their customer, the conclusion can be that the customer will change its business gift provider. If the gift company manages to do good co-operation with the giver company and the receiver is pleased, the gift company gets new customers with the good gift choice and the old ones will order more. This study tells about relationship between the business gift company and their customer, the gift giver. The relationship plays a remarkable role in cross-cultural business gift decision-making process, as written further. Though the empirical part concentrates mostly on customer's point, the impor-



tance of long-term relationship, where the personal sales behaviour has the most important role, can be seen.

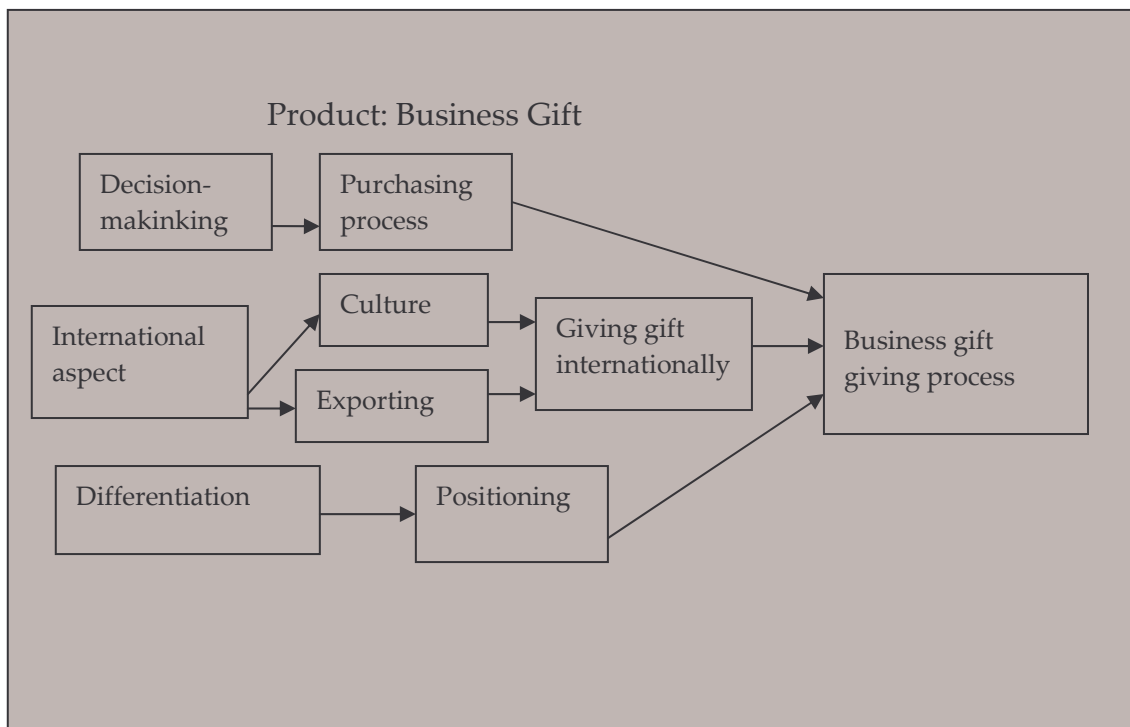
Every Christmas, companies and organizations have the same problem, how to remember their best customers and employees. In past few years, after the world-moving disasters, companies have put that money to charity, on a place where they think the help is most needed (Paavola 2005: 22). Still there are people who need to be remembered, and special occasions, like birthdays, when people need a personal gift. To choose a suitable gift is difficult, because offering is huge and a gift should mirror its giver's ideas, it should be proper for the company image, and the gift should mean something to the receiver. Business gift companies are fighting for their customers. They have to invent something different to compete against the other companies. This study is looking for the reasons, why some company is picked. Personal relationships and long-term customer relationship are very crucial when selling business gift. (CEO of the Case Company 2005, later on CEO)

## 1.2. Research Problem, Limitations and Framework of the Study

The meaning of this study is to find out, how the business gift decision-making is done, especially when the gift is given to a different culture or internationally? The research question is: **What stages and features does the buying process include and what are the affecting factors behind the process?** Sub-questions are: What has to be considered when the gift giving is cross-cultural? What is the meaning of culture? What are the differences when giving in international context compared to Finnish receivers? Has the positioning any importance and does it give any benefit in mature business gift markets?

This study is limited to concern only business gift industry. One limitation is that the gift is given from Finland to foreign country, not the opposite way. The study has three main fields; it concentrates in business gift decision-making process, the international gift giving culture, and business gift differentiation. The figure 1. represents the frames of this study. Naturally, when speaking of business gifts, the aspect is on b-to-b markets. One limitation is that it only concentrates in the business gift company's and giver's side and their opinions.

This study is a case study. It is done for a Finnish company operating in a business gift and leather industry. It has its own production and it also sells other business gifts. The study concentrates only its business gift side. The empirical part is done in their customer company, a global IT corporation. The case company wanted to know their opinion and ideas about the present situation in international business gift field.



**Figure 1.** Framework of the study

As seen in Figure 1., there are three main fields as the basis of the study: decision-making process, international aspect, and differentiation. Decision-making process includes the purchasing process, especially in b-to-b markets. It compares the organizational and consumer decision and purchasing processes. The international aspect includes the limitations that working in the different cultures give, and how the gift is given internationally. The cultural aspect is studied on the basis of the Hofstede's dimensions. It studies internationalisation mode the company is using, exporting. The differentiation part concentrates on value adding and positioning as the company's competitive advantage. The conclusion of all this is cross-cultural business gift decision-making process.

The theories that are used in this study, are concerning about decision-making process, culture, exporting, and positioning. The secondary data is about business gifts.

### 1.3. Previous Research in Business Gift Field

Internationally, there are several researches done on business gifts in economical sciences. They give a good insight and background for the study. The studies are about cross-cultural business gift giving, which is the interest of this study, economical meaning of the gift for the business, and meaning of the gift for the giver and the receiver. Still most of the study is done in other science fields, like psychology, philosophy and anthropology. In marketing books business gifts are mentioned with few words as part of public relations and relationship marketing. Only little academic research has done on the cross-cultural field. Most of the studies are prescriptive in nature and the focus is on domestic markets (Arunthanes, Tansuhaj & Lemak 1994). The Finnish literature knows only few names in that area. Mostly cultural differences and business etiquette have been in concern. Arja Mikluha has written a book "Lahjat ja liikelahjat eri kulttuureissa" in 1997 and 2000. Reima Luoto has written in 1986 and 1996 about business gifts in his book "Yrityksen etikettikirja". The studies used in this study, as seen in table 1., are analysed and compared with the empirical results in conclusion. They help partly to understand the answers and results better. Next is been told the aims, frameworks, and background of the studies.

Arunthanes, Tansuhaj and Lemak (1994) have studied the cross-cultural business gift giving. They thought that when international aspects are considered, the issue of business gift giving becomes more problematic. Cross-cultural business gift giving is a practice, which must be gentle for cultural, legal, and ethical aspects. The objective of the article was to address the culture gap by studying the practices of cross-cultural business gift giving in the marketing literature. The purpose of the study was to develop a typology of cross-cultural business gift giving, based on types of cultural context, to identify the hiding factors that describe the practice of business gift giving across cultures, to develop research propositions to guide future empirical tests, and to help formu-

lating cross-national business gift giving, and give managers a checklist for minimizing mistakes related to gift giving in international context.

**Table 1.** Previous studies in business gift area used in this study

Arunthanes, Wiboon – Tansuhaj, Patriya-Lemak David J. 1994	Cross-Cultural Business Gift Giving
Beltramini, Richard F. 1992	Exploring the Effectiveness of Business Gift
Bruhn, Manfred 1996	Business Gifts: A Form of Non-verbal and Symbolic Communication
Hakala, Anna 2004	Liikelahjojen rooli markkinointiviestinnässä pohjoissavolaisissa yrityksissä
Mikluha, Arja 1997 & 2000	Lahjat ja liikelahjat eri kulttuureissa

Richard F. Beltramini (1992 & 2000) has studied, how business gifts affect on the next buying decision and how effective the business gift is. In the research customers' perceived satisfaction, and intention to continue repurchasing was surveyed before and after being sent a more expensive gift, a less expensive gift, or no gift at all. After the gift giving, the customers' purchases were longitudinally tracked. As a result, it seems that gift giving represents an effective part of marketer's overall marketing communication strategy. (Beltramini 2000)

Manfred Bruhn, has written about symbolism behind the business gifts. The exchange of gifts is one part of personal relationships and has a range of messages in different cultures. Gift giving in companies has become usual to a considerable degree. The study, Manfred Bruhn (1996: 62-63) made, examined the gift behaviour of the top management in the b-to-b sector. When the offering is made, there are two levels. The formal level includes prices, negotiations, etc. The informal, personal level covers the interpersonal contact of the two business partners involved. This personal level includes the gift giving and receiving part. Gift giving has a long tradition, which goes back to antiquity. In archaic societies the idea that a gift is a bond or a tie, serves as a basis for gift giving.

ing: every object is somehow linked to its original owner. Giving away a personal thing that one has owned, means giving away a part of one's spiritual part. By that, it creates a bond of mind between oneself and the respondent. In the Middle Ages the meaning of the word "gift" was transformed into what we understand today, one-sided giving. (Bruhn 1996:61-62)

Today, a gift is legally defined as a voluntary benefit without any service in return. Though gift giving is not one-sided: there may not be an economic but instead a social exchange. The giver wants to be seen in a good light, and at the same time, the giver wants to express high regard and respect for the respondent of the gift. The gifts serve an important and personal function of communication and they complement other communication tools. The other tools may not give such a direct access to the precise person, who receives the gift. That is why a gift may be more suitable to create personal relations. (Bruhn 1996: 62)

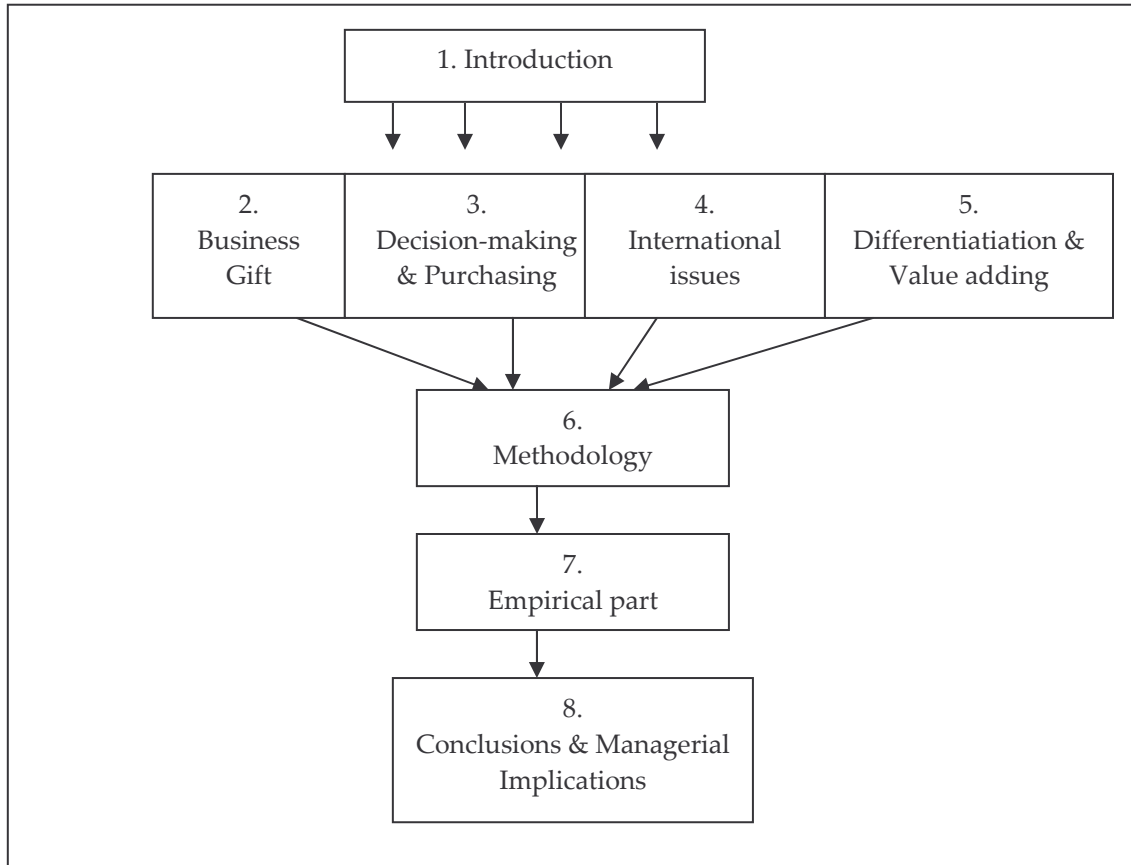
Anna Hakala has studied the role of the business gifts in her master's thesis "Liikelahjojen rooli markkinointiviestinnässä pohjoissavolaisissa yrityksissä". The meaning of the study was to describe the role of business gifts in marketing communication, in companies and organizations located in northeast Finland. The most important instance that made the business gift decisions was the CEO, marketing department, and the executive assistant. The least important was advertising agency. (Hakala 2004: 77)

Arja Mikluha has mostly written books about business gifts and etiquette. They are, in operational level, a big help for the decision makers. Her books are in a daily use in many Finnish companies to help to avoid lousy situations, where the receiver of the gift is been hurt. Her books tell about right gifts, occasions, price, packages, giving time, and giving cultures.

#### 1.4. Structure of the Study

The structure of the study consists of 8 main chapters (see Figure 2.). The first one is introduction. In the introduction is told the background to the study. The first chapter contains the problem setting and the sub-questions that belong to the study. Also the limitations have been set. The first chapter represents the

previous research done on business gifts. It sets the frames and structure of the study.



**Figure 2.** Structure of the Study

The chapters from two to five consist of the theory and framework of the study. Chapter two represents first the definition of business gift. There are also told the meanings of business gifts, for the giver and the receiver company. Finally is written about previous business gift researches and their main findings. The third chapter is a comparing chapter. It compares consumer behaviour to organizational decision-making and purchasing behaviour. First is told about consumer decision-making, the affecting factors and limitations. Focus is on needs and lifestyle. Then consumer behaviour has been compared to organizational decision-making. The second big issue, the third chapter concentrates on, is organizational purchasing process and how it differs with its professionalism from consumer's purchasing. The fourth chapter concentrates on international

issues. There are two main fields in this section: culture and exporting. Cultural issues on business gifts have been studied on the basis of Hofstede's dimensions. Later they help to find out the hidden factors in cross-cultural business gift giving. The second main issue of the fourth chapter introduces exporting as the channel of business gift giving. Exporting is in the focus when giving gifts from Finland to another culture. The gifts are usually taken from here to the target country. The fifth chapter introduces differentiation and value adding. The competition in the business gift industry is hard and the companies have to be somehow different to manage. Product positioning is offered one of the success-factors.

The sixth chapter contains methodology and the introduction to the empirical research type, qualitative research method. There is also a discussion about reliability and validity of the study. The seventh chapter is the empirical chapter. First there are company presentations, both case company's and the companies', where the qualitative research was done as interviews. Then is written out the information the interviews gave. The sub-chapters are divided into same categories as the theoretical part of the study.

The eighth main chapter introduces the results of the study. First is discussed about the empirical part. After that there is an analysis of the empirical part. The theory and frames are compared to empirical part, and introduced the most important theories affecting on the cross-cultural business gift decision-making process. By that are done the main findings. The analysis is done separately in each section, business gift, purchasing and decision-making, culture, exporting, and differentiation. Then the results are combined. The end result is a cross-cultural business gift decision-making process. Finally there are managerial implications and suggestions for further research.

## 2. GENERAL INFORMATION ON BUSINESS GIFTS

Business gift is in the middle of this study. The aim of this chapter is to give general view on business gift; what it is and what things and issues are related to the gift. In the article in *Kauppalähti Vip Markkinointi* (18.9.2006: 22) is written that in Finnish companies, five percent of marketing efforts and budget goes to business gifts and give aways. They had quoted Richard F. Beltramini's research, which result was that more valuable gifts give a better economical win (Beltramini 1992 & 2000). That is why business gifts are important for the giver company. Personified product with an idea will be remembered best, especially when it is in daily use. It reminds the receiver from the giver company. The trend on business gifts is going on a more individual way. That is why business gift companies have to think about the functions of the gifts more carefully and tailor them suitable for giver companies marketing strategy (*Kauppalähti Vip Markkinointi* 2006: 22). Lot of the business gift literature is been written on suitable gifts and business etiquette. Arja Mikluha (2000:12,42) has written several books on cultural issues in business gifts. Business gift has in Finland quite a wide meaning. It includes bonuses and sales promotion products. Also give away products, like pens and caps, are understood as a business gifts in Finland. Business gifts can be divided in product gifts, food- and drink gifts, money, flowers, services, and offering a party or a dinner.

### 2.1. Definition Business Gift

Personal and carefully chosen business gifts are been for long a part of good business relations. One important thing on business gifts is the memory value they give. They can work as a reminder when making important decisions. The gifts can be given in many occasions, like birthday or Christmas, or spontaneously, to act as a thank you for a well-done job. The foundation of business gift giving is reciprocity theory, which means that giving can lead to a respondent's perceived sense of obligation to return the favour. It means that business gift giving probably affords the potential for use as a solid business investment. De Paulo, Brittingam and Kaiser found in their study (1983) that it is important that



the respondent view the gift as appropriate to the relationship between the giver and the receiver. (Beltramini 2000; Mikluha 2000:19,22)

A business gift is usually a valuable gift product that is given to a business partner on a special occasion, like birthday, or during or after official business visit. The idea of a business gift can be based on the own production of the company or otherwise on its image. Sometimes, business gift is not connected to the company in any way. It could be a crystal vase or a piece of art. The receiver's name can be in it but usually giver name is not shown in the product, at least not on a very visible place (Luoto 1996: 131). Beltramini (2000) wrote that a business gift should be consistent with ethical codes of the respondent's organization. It should be deliberately sent to each respondent. The respondents should be surprised with an unexpected, valued gift. The gift should not be over-luxurious, or demonstrate the wealth or free-spending extravagance. It should be more likely subtle, not a transparent, calculated, or manipulative expectation of reciprocal obligation.

Business gifts can be divided in 4 categories depending on their value (Table 2.): In big quantities given products, so-called give away –products, known as “throw away” –products. Give away –products are normally pens, rulers and letter knives. Those are usually given in expos and different sort of happenings. The value is ca. 0.50-2 €. Sales promotion products are given from hand to hand. They include e.g. caps, beach balls and umbrellas. The value of sales promotion product is ca. 2-6 euro. Third group is for keeping up good business relationship. They are high quality brand products. For instance Christmas gifts are part of this. The price is between 13 and 23 euros. The “Black label Scotch” –group is the most valuable business gift group. Those products are only given to the top management of the company. Valuable products cost ca. 30-80 €. (Mikluha 2000: 41)

This study is concentrating mostly on the “Keeping up good relationships” –category because, it is in general understood as business gift in business life. So the “real” business gift has its value between 13-23 euros. It is given to customers, buyers, sellers, distributors or in-house personnel, the company whole interest group. This sort of a gift can be given abroad and it is not felt as a bribe. When giving it abroad, the gift can be e.g. Finnish glass, which is highly re-

spected. It can be an internationally known famous brand product like Saga-form kitchen ware or Wictorinox -multiknife.

**Table 2.** Business gift categories after Mikluha.

<b>Gift</b>	<b>Value</b>	<b>Occasion</b>	<b>Type</b>	<b>Receiver</b>
Give Away	0.50-2 €	Expos	Pens, rulers	Anyone
Sales promotion	2-6 €	Promotions, given hand-to-hand	Caps, umbrellas	Customer
<b>Keeping up good relationships</b>	<b>13-23 €</b>	<b>Christmas, “normal business gift”</b>	<b>High quality brand products</b>	<b>Interest group</b>
“Black label Scotch”	30-80 €	Special occasions, Birthdays	Valuable products	Top management

## 2.2. The Meaning of Business Gifts

Gift giving is one part of the communication. It mirrors well both sides', the giver's and the receiver's, thoughts. The giver is often concerned, on how his or her gift is felt or, is it even understood completely wrong. It is very difficult to set up the limits of a business gift. Arja Mikluha (2000: 17, 20-21, 25) wrote that in different cultures, business gift is understood in several different ways. The giver has to be very careful and clear with the decisions on gifts, not harming the valuable relations with a bad-choice gift. Giving the gift has to be done in a right place and time. Different cultures can be very strict for that.

There are several things to recall when choosing a gift. First, you have to think, who is going to receive the gift. Then you have to think, who are we, the giver side, what does our company represent. One important thing is the culture, the receiver lives in. These are the three main issues Arja Mikluha states on. Interviewing the CEO of the case company points out these same things. He tells that a popular gift in Finland and Scandinavian cultures, knives, are unexpected and unwanted business gifts in other cultures. Knives are understood as a threat in most parts of the world. The package must be thought also very care-

fully. In western cultures, white is a colour of joy but in eastern cultures it is a colour of death, funeral, and grief. The CEO tells that companies have very tight limits they can give their gifts. They have their own colours, ethics, and ways of doing things. Those are the driving factors, which make the business gift decision easier or harder. (Mikluha 2000:13-80; CEO 2005)

Gifts represent giver's aware or unaware thoughts. How a receiver understands them, is dependent on his or her personal judgement, cultural background, and environment. Receiver's culture should be thought well before choosing a gift. The next things are good to be recognised beforehand: origin of the gift, amount of the gifts, shape, colour, numbers, etc., how many times is remembered, price of the gift, receiver's status, where the gift is bought, flowers' species, amount, package, and opening. A business gift has traditionally been a product, like a watch or a vase. The occasions when business gifts are given can be divided e.g. by a reason or by a frequency. The reason comes from the giver company, receiver, or from the institutional reasons. Table 3. is about gifts by types and their giving occasions. (Mikluha 2000: 38-40)

**Table 3.** Gifts by types and giving occasions (Mikluha 1997:10)

<b>Type of a gift</b>	<b>Occasion</b>
Congratulation gift	Birthday, milestone
Remember gift	Visit, occasion
Thanks gift	For being friendly, service
Greeting gift	Instead of visit, condolence
Souvenir	From homeland or journey
Farewell gift	Memento for a visit, staying, finishing in job
Counterpart gift	For received gift/service
Bribe	To gain acclamation
Sacrifice gift	Religious
Business gift	Reminder from the company
Give away gift	Mass delivery in marketing situation

### 2.3. Business Gift Research

In Beltramini's later research in 2000 first, a pre-gift mail survey was sent. After the first answers, respondents were randomly sent either a golden library set, a silver library set, or no gift at all. The results were that the golden receivers evidenced an immediate positive increase in sales. The positive impact stayed through the whole research. The silver group evidenced a lagged positive increase in sales after an initial decline in sales. The no-gift respondents evidenced a sustained decrease in sales. That continued four months, and the situation came back normal after six months. The conclusion was that the more expensive the gift is the more positive effect it has on sales, immediately and a long time after that.

The more expensive receivers were having better overall satisfaction, and they intended to repurchase. The less expensive receivers did not generate significant increases in customer attitudes when tested, but did eventually generate a lagged, positive increase in actual sales behaviour. The ones, who did get no gift at all, reacted the way that a slight decrease in actual sales behaviour was noticed. The sales came back at the same level after a while. Beltramini's conclusion was then: "--- the more significant the gift, the stronger the sense of obligation; and the stronger the perceived obligation, the stronger the urgency to restore equilibrium." (Beltramini 2000)

When the offering is made, there are two levels. The formal level includes prices, negotiations, etc. The informal, personal level covers the interpersonal contact of the two business partners involved. This personal level includes the gift giving and receiving part. Gift giving has a long tradition, which goes back to antiquity. In archaic societies the idea, a gift is a bond or a tie, serves as a basis for gift giving: every object is somehow linked to its original owner. Giving away a personal thing that one has owned, means giving away a part of one's spiritual part. By that it creates a bond of mind between oneself and the respondent. In the Middle Ages the meaning of the word "gift" was transformed into what we understand today, one-sided giving. (Bruhn 1996:61-62)

Today, a gift is legally defined as a voluntary benefit without any service in return. Though gift giving is not one-sided; there may not be an economic but

instead a social exchange. The giver wants to be seen in a good light, and at the same time the giver wants to express high regard and respect for the respondent of the gift. The gifts serve an important and personal function of communication and they complement other communication tools. The other tools may not give such a direct access to the precise person who receives the gift. That is why a gift may be more suitable to create personal relations. (Bruhn 1996: 62)

According to Anna Hakala's research (2004: 77-80), business gifts were not important part of the company's marketing communication. The companies did not use plans or registers when deciding and planning business gift giving, though the respondents thought it could be a good idea to keep the process rational. The gifts were usually given in Christmas or birthdays. The price of the gift was ca. 13-23 euros, in Arja Mikluha's chart (Table 2.), to keep up good business relationship. Companies used most of the business gift money to customers and personal. Companies that had international contacts took aware the cultural differences land by land, when choosing a gift. In the conclusion, Hakala writes that business gifts are part of marketing communication but the meanings of business gifts are not thought deeply. To make the business gift giving process organized, companies should have a register where is told, who has got and what. The researched companies gave mostly useful things, used the money to the charity or gave services like dinner, or tickets to concerts. Most of all, business gifts are part of modern day business etiquette. They are given to thank and being polite.

Aruthanes, Tansuhaj, and Lemak (1994) have studied the cross-cultural business gift giving. They represent three reasons why business gifts are given: in appreciation for e.g. client relationships, in the hopes of creating a positive, first impression, and perceiving as a quid pro quo, returning a favour, or expecting a favour in return. Their opinion is that when the gift is given internationally, the issue comes more problematic. Cross-cultural business gift giving has to be sensitive for cultural, legal, and ethical aspects. Badly handled gift situation can harm the relationships. They wrote that only little academic research has done on the cross-cultural business gift giving and the researches have been domestic and prescriptive in nature. The purpose of their study was to develop a typology of cross-cultural business gift giving based on cultural context, to identify the hidden factors that describe the business gift giving practices in cultural context, to develop research propositions to guide empirical tests in the future

and to help formulating successful cross-national business gift giving, and to give managers a checklist for minimizing mistakes, which are related to international gift giving.

Business gift giving is in many cultures an important form of persuasion. Though the gifts benefit the company and the relationships, some executives ignore it and think it as a “necessary evil”. In some researches have been found that entertainment and gift giving increase the clients’ sense of their obligation to buy (Hite and Bellizzi 1987). The biggest barriers for successful business gift giving abroad are the customs and practices of the domestic culture. The etiquettes and local customs affect on business gift giving. Cateora (1993) wrote that in the context of culture, the customs that one must abide by when conducting business in a different culture are called “imperatives” (a must) and the term used to customs and optional practices are called “adiaphoras” (may or may not have to do). Arunthanes et al. (1994) wrote that the cultures which view business gift giving as an imperative are probably part of Hall’s high context category. In those cultures communication style is more implicit, non-verbal, and has hidden cues. Friendship and trust are important in high context cultures. Vice versa, in low context cultures the communication is more formal and explicit. In business gift giving these types of differences has to be remembered. High context cultures are for example Japanese and Arabian cultures, low context cultures the USA and Germany.

Arunthanes et al. (1994) wrote that in high context cultures, in “imperatives”, the gift giving is a must and a critical part of conducting business. In “adiaphoras”, low context cultures, the business gift giving is an optional activity but when done properly can cause positive effects on the both companies. There are five critical factors that affect on the cross-cultural business gift giving:

1. Legal Factors

*Legal restrictions in low context cultures are more stringent and more numerous than in high context cultures.*

2. Ethical Factors

*Ethics affecting on business gift giving is more stringent and more elaborate in low context cultures than in high context cultures.*

3. Company Policies

*Low context culture companies tend to have a stronger formal policy for business gifts.*

#### 4. Acceptable Value and Price Range

*Business gift-giving value is driven more by status differences and the gifts are more valuable in high context cultures.*

#### 5. Taboos in Gift Giving

*In high context cultures, there are more taboos associated with business gift giving.*

### 2.4. Conclusion

There are thousands of gifts and giving occasions for business gifts and the business gifts are important part of companies' relationships. The gift has to be expensive and good enough to get the attention and respect of the receiver. Company representatives expect to receive gifts and that is why the decision makers, who choose the gift, are in an important role. If the gift is a bad choice or the giving occasion goes wrong, especially when the gift is given into another culture, it can harm the sensitive relationships. If the chosen gift is good, it can have even positive economical effects on the giver company. Gift giving and receiving is a two-level process, formal and informal. The formal process is part of business communications. The informal is how the giver and receiver as an individual person feel the situation and the successfulness of the gift. The individual's behaviour is always on the focus of business gift giving.

### 3. A REVIEW OF THE DECISION-MAKING AND PURCHASING THEORIES

Consumer behaviour is one interest area when solving the meanings of a business gift. Does the purchasing process of a business gift differ from the normal consumer process though we are still talking about b-to-b markets and organizational decision-making? In consumer markets, there are only few industries where a buyer and seller have a close personal relationship. In business marketing, relations may grow easily very personal. It is because the strategic importance is so powerful and it takes too much time and company resources to find shop around in every purchasing situation. That is why long-term contracts are not rare and the relationship is constant and personal (Dwyer & Tanner 1999: 8).

#### 3.1. Decision-making in Consumer Markets

Lancaster's hypothesis is: it is not the product itself which brings satisfaction but the attributes characterising it. Generally, it can be said that consuming can be understood by introducing three essential concepts: income, price, and utility. Because of the limitation of income, it is a major determining factor for the purchasing power. Though price is important attribute for economists, in consumer theories, it is often secondary to other factors. Every consumer has a list in their mind on which they want and which they would make special efforts to get. Motivation refers to the process, which causes people to behave in the way in which they do. The social sciences have conducted numerous terms such as needs, wants, desires, and drives, motives, and instincts to call the basic idea. An individual can experience several different desires and needs at the same time. They may be contradictory or impossible to satisfy simultaneously. The cognitive dissonance gives an assumption that people have a basic need for consistency in their lives. Cognitive dissonance theory predicts that the individual will try to reduce the tension resulting from the conflict. (Dubois 2000: 16-33)



### 3.1.1. Needs

In the 1930's psychologist Henry Murray put forward a list of 28 needs. 11 of them are fundamental:

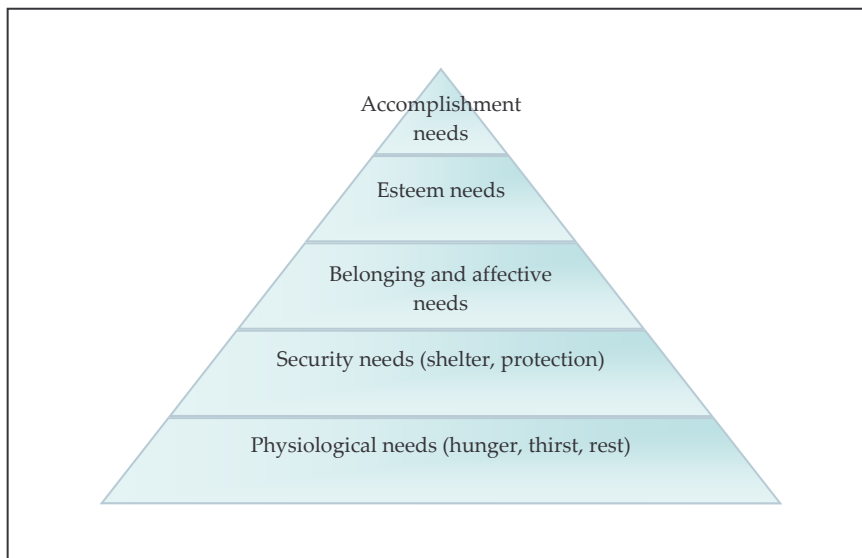
1. The need to acquire,
2. The need to accomplish,
3. The need to exhibit,
4. The need to dominate,
5. The need for affiliation,
6. The need to play,
7. The need for order,
8. The need for recognition,
9. The need for deference,
10. The need for autonomy, and
11. The need for aggression.

The list explain some how the consumption of products and services. They even help to analyse the structure of the market. (Dubois 2000: 28-29)

The Maslow pyramid is most famous structure that puts forward both a list and a hierarchical ordering of fundamental needs. He has three main hypotheses: a person has several needs, which are not of equal importance and can therefore be place in hierarchical order. A person will first seek to satisfy the need, which is most important to him or her. A need ceases to exist when it has been satisfied and the person will then seek to satisfy the next. Needs could be classified in an increasing order of importance (see Figure 3.). (Dubois 2000: 31-32)

Lifestyle has a huge effect when making a decision. It is described in terms of shared values or tastes as reflected in consumption patterns. Personal characteristics are the creators of unique lifestyle. Lifestyle is more viewed as a mental constructs that explains, but is not identical with the actual behaviour. Typically lifestyle research has concentrated in searching for attitudes, interests, and opinions. Different kinds of lifestyles have an effect when deciding a business gift. When given internationally, the receiver's own lifestyle, internationally has to be thought well, too. Lifestyle is country-specific and culture overrides life-style. To understand consumer behaviour in different cultures and cross-culturally, it is important to go beyond lifestyle and distinguish value variation by product category. Still, global lifestyle researches have find out that there are

similarities in different lifestyle segments across borders. Those lifestyle groups and their behaviour are more similar to the same group across borders than to other groups within borders. (de Mooij 2004: 123-125)



**Figure 3.** Maslow's hierarchy of needs (Dubois 2000:32)

Motivation research is trying to find out the underlying why in our behaviour. It seeks to identify the attitudes, beliefs, motives, and other pressures that influence consumers' purchase decision. Consumption can be driven by functional or social needs, which are deeply relating to the social environment. The importance of surroundings and the context in which consumers make decisions cannot be forgotten. People from different cultures and countries can do the same thing in completely different way, because they have different reasons or motives for that. Some motives can exist across cultures, but the degree of importance can vary completely. (de Mooij 2004: 135, 138-139)

### 3.1.2. Cognition and Affect

Research of the cognitive and affective components affecting the attitudes has mainly been done in the Western World. Cross-cultural psychologists have found that the idea that people interpret feelings, emotions, and mood is not a

universal phenomenon; the cognition-affect interaction is varying across different cultures and product categories. Aesthetic experience affects to the experience of pleasure or displeasure caused by stimuli that are felt as being beautiful or ugly, attractive or unattractive, and rewarding or unrewarding. The art of a culture is a symbolic representation of its social structure and social practices. It means then that visual language is culturally specific. (de Mooij 2004: 185-186, 195-196)

The fundamental assumption in Western decision-making theory is that decisions do not happen, someone makes them and the American-based decision-making theory is based on internal locus of control. Consumers have different types of decision-making styles, which can be defined as a mental orientation characterizing a consumer's approach to making choices. Consumer style inventory identifies eight mental characteristics of consumer decision-making: perfectionism or high-quality consciousness, brand consciousness, novelty-fashion consciousness, recreational, hedonistic shopping consciousness, price and value-for-money shopping consciousness, impulsiveness, confusion over choice of brands, stores and consumer information, habitual, brand-loyal orientation toward consumption. Researches have found out that consumer style inventories are tightly connected to culture; commercial research agencies use similar consumer characteristics to distinguish consumer decision-making styles. (de Mooij 2004: 221, 223)

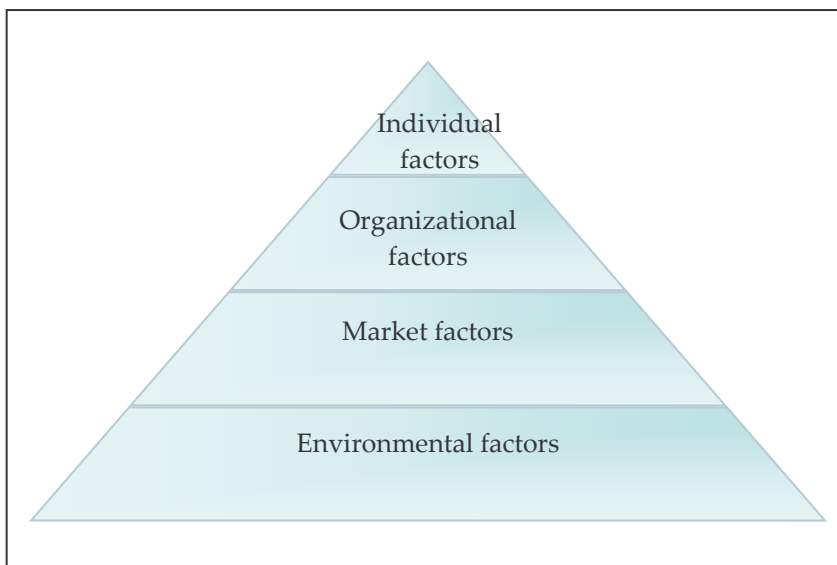
Consumer decision-making varies with the type of buying decision. There are four types of buying decision behaviour:

1. complex,
2. dissonance-reducing,
3. habitual,
4. variety seeking buying behaviour.

Complex buying behaviour is characterized by high consumer involvement in a purchase and perceive significant differences among brands. Dissonance-reducing buying behaviour is felt when a high involvement is needed but only few differences among brands is perceived. Habitual buying behaviour is happened when low involvement is needed and not many brand differences is noticed. Variety-seeking buying behaviour is about situations characterized by low consumer involvement but significant perceived brand differences. (Kotler et al. 1999: 251-253)

### 3.2. Decision-making in Organizations

Hutt and Speh (2004: 14) characterise the typical business marketing situation. Business market customers are commercial enterprises, institutions, and governments. Their single purchase is far larger than what an individual consumer does. The demand for industrial products is derived from the ultimate demand for consumer products. The relationships between business marketers are close and enduring. Buying decision involves multiple buying influences. Behavior choice theory states that buyers go through a choice process to arrive at decisions of how they will buy. Role theory has been applied to a number of social situations. In general, the theory suggests that people behave within a set of norms or expectations of others due to the role they have been placed (Ellson 2004: 96-98).



**Figure 4.** Buying Determinants Theory (Ellson 2004: 106)

Individual factors are demographic and psychographic factors that influence an individual's buying behaviour. One important individual factor is experience. Organizational factors are characteristics of the organization that influence buying behaviour. They include e.g. the company size, profitability and corporate culture. Market factors are the characteristics of the market that influence buyer

behaviour. They are the number and relative size of competitors and the number and relative size of customers in market. Environmental factors are characteristics of the world beyond the market level. They include the economy, technology, political factors and social factors. (Ellson 2004: 106-108)

Business people are thought to be a culture-free group because their decision-making process is assumed to be rational. But there are still evidences that decision-making in organisations is also culture-bound as consumer decision-making. Organizational decision makers are people with a cultural frame of mind, and they will exhibit similar differences as if they were consumers. Finding the influence of others in decision-making is not easy, as culture influences the degree to which people think they are involved in decision-making. (de Mooij 2004: 224)

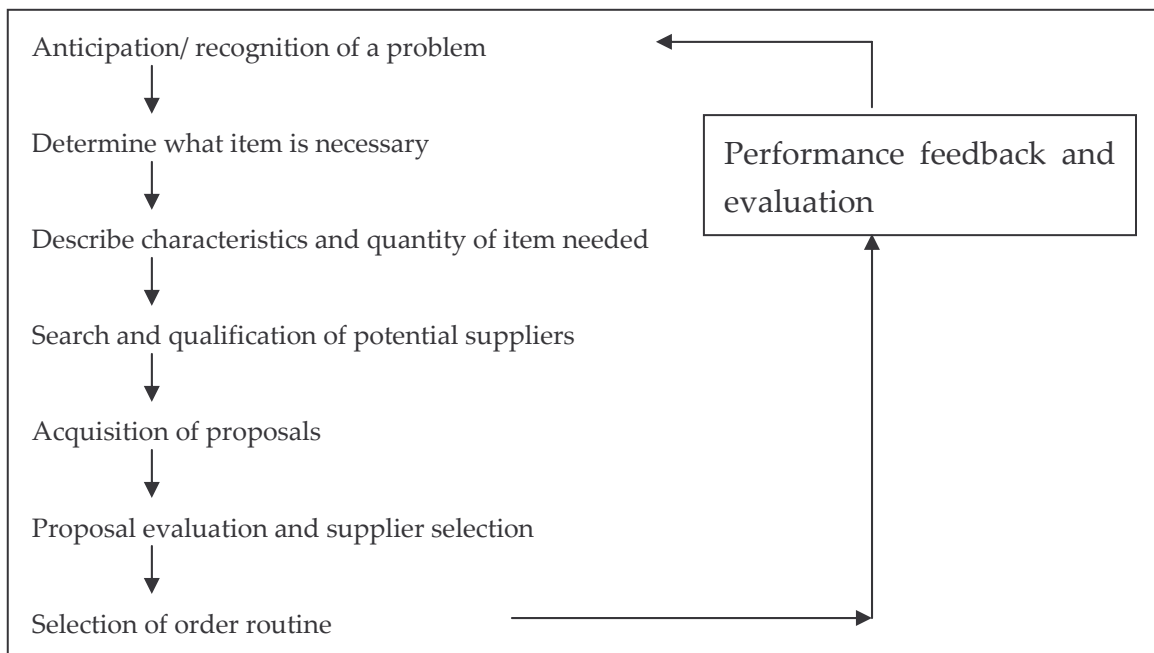
### 3.3. Consumer Purchasing Process

Bernard Dubois (2000:227-228) writes that the idea of a purchasing process includes several stages until the final decision. The assumption is that a purchase decision in every case corresponds to a response to a consumer problem. He's conclusion after studying the purchasing literature is that the purchasing process has a four-step structure:

1. the arousal phase, which triggers the idea to purchase
2. the information search and processing stage
3. the formulation and implementation of the choice
4. the evaluation of the post-purchase consequences.

### 3.4. Organizational Purchasing Process

The organizational buying process differs from the consumer buying process. Although buying business gifts is more like a normal consumer process because the end user is an individual person not an organization. Still there has to be elements from the organizational process. It is an eight-step process (de Chernatony et al. 2003: 176).



**Figure 5.** The organizational buying process after Robinson et al. 1967 (de Chernatony et al. 2003: 176)

The process starts when a company becomes aware of a problem, they have a need. They start to find out the solution for the need. The end situation is that the need is satisfied. In industrial process there are three types of purchase situations: new task, modified rebuy and straight rebuy (de Chernatony et al. 2003: 177). In a new task an organization has no previous experience of buying a certain product. In modified rebuy a company has previous experience but it is time to look for markets what other brands and products are available. In straight rebuy the process involves repeat purchasing of products bought before. The process is fast and simple and it is handled in a routine based. (de Chernatony et al. 2003: 177-178)

Purchasing is a strategic weapon. A key contribution of the purchasing is to provide the right product in the correct amounts when needed. One available strategy is just in time, a concept when products arrive at the customer at right place and time. That is very important in business gift area. Organizational buyers do not in every cases try to find a solution that benefits the organization the best but they seek a best way for themselves. Still, in modern society, a person does purchase decisions. These professionals are out of duty normal con-

sumers with normal consumer decisions. Why would not they operate under the same “rules” during the work hours? (Ellson 2004: 60-61, 92)

In organizational buying behaviour there are four forces that affect also in purchasing process. The environmental forces include the economic outlook both domestically and globally, technological change pace and the global trade relations. The organizational forces are the strategic setting and the organizational position of purchasing. The group forces are the roles people have, relative influence, and patterns of interaction of buying decision participants. The fourth forces are individual factors: job function, past experience, and buying motives of individual decision participants. (Hutt et al. 2004: 68)

In value adding exchanges the focus of the selling firm shifts from attracting customers to keeping customers. The marketer pursues objective by developing a comprehensive understanding of a customer’s needs and changing requirements, tailoring the firms’ offerings to those needs, and providing continuing incentives for customers to concentrate most of their purchases with the firm. Trust and commitment provide the foundation for collaborative exchange. Relationship commitment involves the belief by a partner that the existing relationship is that important so it forces maximum efforts to maintain it. Vice versa, trust exists when one party has confidence in a partner’s reliability and integrity. (Hutt et al. 2004: 93-94)

Customers are more likely to prefer a transactional relationship when there is a competitive supply market featuring many alternatives, the purchase decision is not complex and the supply market is stable. Buyer firms like a more collaborative relationship when there are few alternatives, the market is dynamic, and the complexity of the purchase is high. The industrial salesperson is often best suited to perform the role of “relationship manager”. From the customer’s perspective, relationship quality is achieved through the salesperson’s ability to reduce uncertainty in complex purchase decisions. Relationship quality comprises at least two dimensions: trust in the salesperson and satisfaction with the salesperson. (Hutt et al. 2004: 98,437)

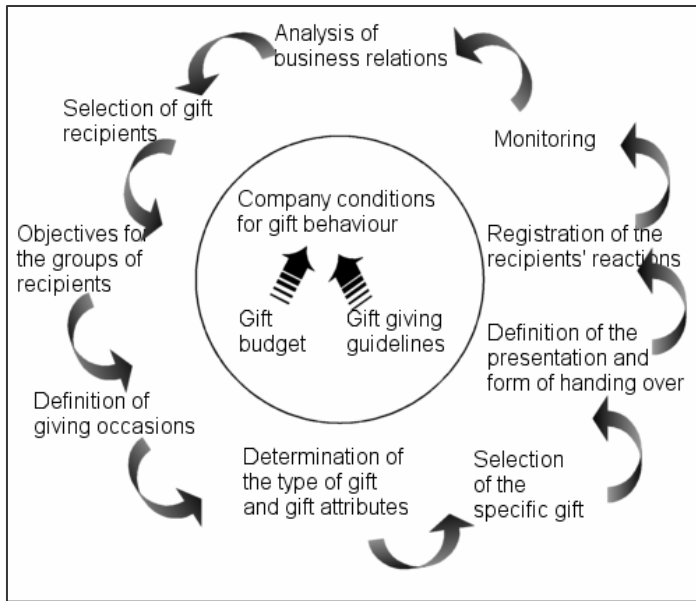
### 3.5. Business Gift Decision-making and Purchasing Process

Manfred Bruhn (1996: 67-68) writes that for the development of a gift culture, it is recommended to systemize the gift giving behaviour and to back it up by good planning. Different steps of professionalizing the gift decision-making are shown in figure 6. And the following issues can be considered systematically:

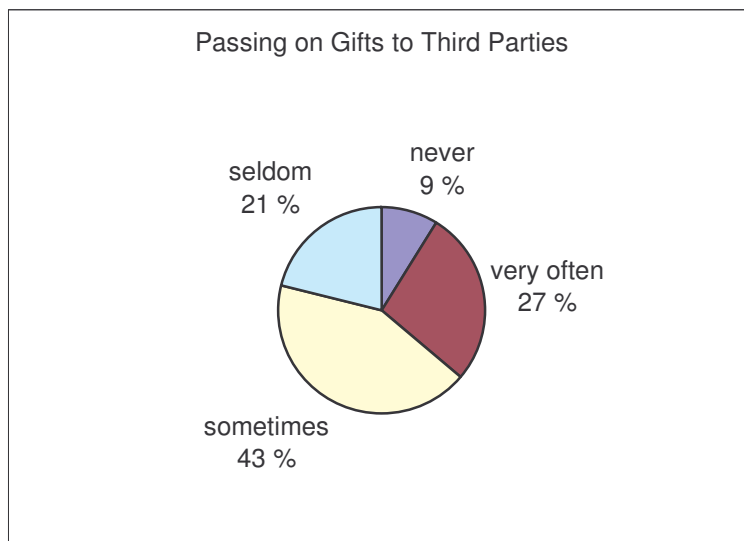
- *Analysis of business relations* with regard to the question: based on relationships which different persons and companies come into consideration for gift giving in this financial year.
- *Selection of gift recipients* can be carried out following different priority classes. The groups are registered and treated as target groups for the allocation of gifts.
- *Objectives for the groups of gift recipients* have to be considered by the company. What the gift should express, and what should be achieved with the recipient have to be fixed.
- *Definition of giving occasions* has to be done to diverse the different groups of recipients. Besides classic institutionalised occasions, special personal occasions have to be taken into account, above all for important business partners.
- *Determination of the type of gift and gift attributes* can be deduced from the gift giving guidelines. The type of gift for each group of recipients is determined.
- *Selection of the specific gift* happens when considering the defined objectives, target groups, occasions, gift types and attributes are chosen.
- *Definition of the presentation and form of handing over of the gift*

In Manfred Bruhn's study is told that when the gift is not good from receivers point, one solution is to give the present to someone else (Figures 7. & 8.). Only 9 per cent of the respondents said they would never consider to give gifts to a third person. So 91 % gives it to a third party. Most frequently the gifts are passed to colleagues, sometimes they are put at the disposal of the company in general. Only on a less important level, gifts were passed on to family members or to friends. (Bruhn 1996: 65-66)

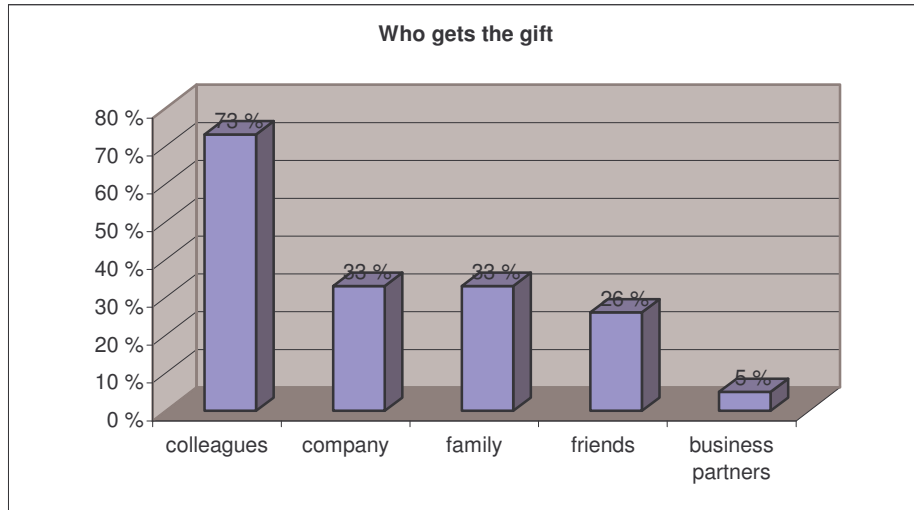




**Figure 6.** Elements of the Gift Culture and Steps for the Professionalization of the Gift Giving Behaviour of Companies (Bruhn 1996: 67)



**Figure 7.** How often Gifts are Given to Third Parties. (Bruhn 1996: 66)



**Figure 8.** Who from the Third Party Gets the Gift. (Bruhn 1996: 66)

### 3.6. Conclusion

This study concentrates in the business gift decision-making process. It is been researched if the process is more consumer decision-making process than organizational process. What differs the two from each other is the long time effects it makes? The organizational and consumer buying processes both include same type of stages. Still the organizational process is more professional and the decision maker has a long experience with the decision he or she is making. Also the buying decision is more complex than in consumer markets while the amount of the investment can be millions. Still in the business gift buying process, the three main functions of consumer behaviour theory: income, price and utility are in importance. Business gift decision-making can be seen as a part of organizational decision-making. But in the basic level the decision maker is an individual, who makes the decisions. Manfred Bruhn's (1996) idea was to make the business gift decision-making process more professional and systemized and create a monitoring system to make that happen.

## 4. INTERNATIONAL BUSINESS GIFT GIVING

The business gifts are given in many cases abroad. When a gift crosses the border several things has to be noticed. One of the biggest issues is the culture. As told in the chapter 3, gifts have to carefully chosen not to harm the relationship between individuals, who are part of companies. This chapter introduces the ideas of Geert Hofstede's cultural dimensions. The chapter concentrates also on the functional part: how the gift can be taken abroad and who is responsible for that. It gives also a light insight into exporting theories and Luostarinen internationalization model. A business gift company is always in an international field and the growth and orders can come from unexpected places (CEO 2005).

### 4.1. Cultural Issues in International Business Gift Giving

*"Culture is more often a source of conflict than of synergy. Cultural differences are a nuisance at best and often a disaster."* Prof. Geert Hofstede, Emeritus Professor, Maastricht University

The world is full of confrontations between people, groups, and nations who think, feel, and act differently. At the same time these people are exposed to common problems, which demand cooperation for their solution. Every person carries within him or herself patterns and models of thinking, feeling, and potential acting. They were learned throughout their lifetime, much of it acquired in early childhood. The sources of one's mental programs lie within the social environments in which one grew up and collected one's life experiences. Mental programs vary as much as the social environments in which the people have lived. A customary term for such mental software is culture. This word has several meanings. In most Western languages culture commonly means civilization or refinement of the mind and in particular the results of such firmement, like education, art and literature. Hofstede calls it culture one. Culture two is always a collective phenomenon, because it is at least partly shared with people who live or lived within the same social environment, which is where it was learned. Culture is learned, not inherited is one of the Hofstede's points. It

derives from one's social environment, not from one's genes. Politicians and journalists sometimes confuse culture two and culture one without being aware of it. But culture two deals with much more fundamental human processes than culture one; it deals with the things that hurt. (Hofstede 1994: 3-5)

Human nature is what all human beings have in common. It represents the universal level in one's mental software. It is inherited with one's genes. The human ability to feel fear, anger, love, joy etc. belong to this level of mental programming. However, what one does with these feeling, how one expresses fear, joy etc. is modified by culture. The core of culture is formed by values, which are broad tendencies to prefer certain states of affairs to others. Values are one the first things children learn. By the age of 10, most children have their basic values. Because values were acquired so early, many values remain unconscious to those who hold them. (Hofstede 1994: 7-9)

As almost everyone belongs to a number of different groups and categories of people at the same time, people unavoidably carry several layers of mental programming within themselves, corresponding to different levels of culture:

- A national level according to one's country

- A regional, ethnic, religious, and/or linguistic affiliation level, as most nations are composed of culturally different regions, ethnic, religious and/or language groups

- A gender level, according to whether a person was born

- A generation level, which separates grand parents from parents from children

- A social class level. Associated with educational opportunities and with a person's occupation or profession

For those who are employees, an organizational or corporate level according to the way employees have been socialized by their work organization.

(Hofstede 1994: 10)

The invention of nations, political units into which the entire world is divided and to one of which every human being is supposed to belong is a recent phenomenon in human history. Nations should not be equated to societies. Historically, societies are organically developed forms of social organization. Within nations that have existed for some time there are strong forces toward further integration: one dominant national language, common mass media, a national

education system, a national army, a national political system, national representation in sports events with a strong symbolic and emotional appeal, a market for certain skills, products and services. On the other hand, there remains a tendency for ethnic, linguistic, and religious groups to fight for recognition of their own identity. Rightly or wrongly, collective properties are ascribed to the citizens of certain countries: people refer to typically. Using nationality as a criterion is a matter expediency. (Hofstede 1994: 11-12)

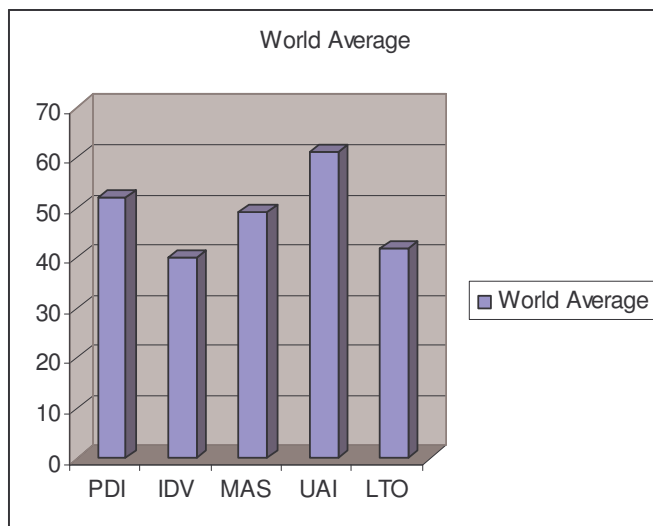
Regional, ethnic, and religious cultures have differences within countries. Ethnic and religious groups often transcend political country borders. Regional, ethnic, and religious cultures can be described in the same terms as national cultures. Basically the same dimensions, which were found to differentiate among national cultures, apply to others differences within counters. There are five dimensions of national cultures

1. Relation to authority
2. Conception of self in particular
  - a. the relationship between individual and society,
  - b. the individual's concept of masculinity and femininity
3. Ways of dealing with conflicts, including the control of aggression and the expression of feelings.
4. A long-term orientation in life to a short-term orientation.

(Hofstede 1994: 13-18)

One of the aspects in which Sweden differs from France is the way its society handles inequality. There is inequality in any society. It means that some people have more power than others, some acquire more wealth than others, and some are given more status and respect than others. Nations can be distinguished by the way they are accustomed to deal with inequalities. Power distance is one of the dimensions of national cultures. It reflects the range of answers found in the various countries to the basic question of how to handle the fact that people are unequal. It means then that when there is a small power distance; inequalities among people should be minimized and there should be, and there is to some extend, interdependence between less and more powerful people. In large power distance inequalities among people are both expected and desired. Less powerful people should be dependent on the more powerful, in practice, less powerful people are polarized between dependence and counter dependence. (Hofstede 1994:23-37)

The ideas of Geert Hofstede's cultural dimensions were first based on a large research project into national culture differences in different subsidiaries of a multinational corporation (IBM) in 64 countries. The study with other smaller studies in different cultures together identified and validated five independent dimensions of national culture differences. Hofstede's research gives insights into other cultures to help people to be more effective when interacting with people in other countries. He has created five different types of dimensions to study and help to meet the differences between cultures. The five dimensions are: Power Distance Index (PDI), Individualism (IDV), Masculinity (MAS), Uncertainty Avoidance Index (UAI), and Long-Term Orientation (LTO). In Figure 9. is seen the world average of Hofstede's dimensions. (Hofstede )



**Figure 9.** Example of Hofstede's dimensions, World Average.

**PDI** focuses on the degree of equality between people in the society of country. A high PDI means that inequalities of power and wealth have been allowed to grow in the society. The societies probably follow a caste system. In low PDI countries the society de-emphasizes the differences between citizen's power and wealth.

**IDV** studies the degree the society reinforces individual or collective achievement and interpersonal relationships. High IDV means that individuality and

individual rights are paramount within the society. A low IDV ranking is typical in societies of a more collectivist nature with close ties between individuals.

**MAS** focuses on the degree the society reinforces the traditional masculine role model of male achievement, control, and power. A high masculinity level indicates that the country experiences a high degree of gender differentiation. In such a culture males are the dominants of the society and power structure. Females are being controlled. In low masculinity ranking countries the level of differentiation and discrimination between genders is low. Females are treated equally to males.

**UAI** means the level of tolerance for uncertainty and ambiguity within the society. A high UAI ranking indicates the country has a low tolerance for uncertainty and ambiguity. It means the society is rule oriented that institutes laws, rules, and regulations to reduce the amount of uncertainty. A low UAI level means that the country has less concern about ambiguity and uncertainty and has more tolerance for a variety of opinions. This sort of society is less rule-oriented and takes more and greater risks.

**LTO** explains the extent to which a society exhibits a pragmatic future oriented perspective rather than a conventional historic or short-term point of view. A high LTO ranking countries are located in Asia. They believe in many truths, they have a long-term orientation, they easily accept change and have thrift for investment. A low ranking countries believe in absolute truth, they are conventional and traditional, have a short-term orientation and a concern for stability. They are usually Western countries.

## 4.2. Exporting

When thinking of international marketing and operations it is usually in the context of a sale being made by penetrating a foreign market. Inward/outward relations can be diversified on a continuum ranging, from direct to indirect (Albaum, Strandskov & Duerr 2002: 13-14.) For many firms, internationalisation is a gradual process. In small markets firms may very well be born global. In many cases, firms begin their operations in the domestic market. In time to time

they gradually expand and become interested in the international market (Czinkota & Ronkainen 2004: 236).

Czinkota and Ronkainen (2004: 225-230) write about internationalisation and exporting in the beginning of the internationalisation process. A high level of export commitment is crucial and to obtain such a commitment, it is important to involve all levels of management early in the internationalisation process. It is crucial to impress on all plays that the effort will only succeed with a commitment that is company wide. Planning and execution of an export venture must be incorporated into the firm's strategic management process. In many business activities, one factor alone rarely accounts for any given action. In internationalization, there are a variety of motivations both pushing and pulling firms along the international path. They are differentiated into proactive and reactive motivations. Proactive motivations have stimuli to attempt strategic change and reactive influence firms that are responsive to environmental changes and the motivations adjust to them by changing their activities over time. Proactive means that companies go abroad because they want to, when reactive ones go international because they have to.

**Table 4.** Why Firms Go International (Czinkota et al. 2004: 226).

<b>Proactive motivations</b>	<b>Reactive motivations</b>
Profit advantage	Competitive pressures
Unique products	Overproduction
Technological advantage	Declining domestic sales
Exclusive information	Excess capacity
Managerial urge	Saturated domestic markets
Tax benefit	Proximity to customers and ports
Economies of scale	

Czinkota's opinion (2004: 230), for internationalisation change to take place, someone or something within the firm must initiate it and shepherd it through to implementation. This intervening individual or variable is called a change agent. A change agent can be internal or external.



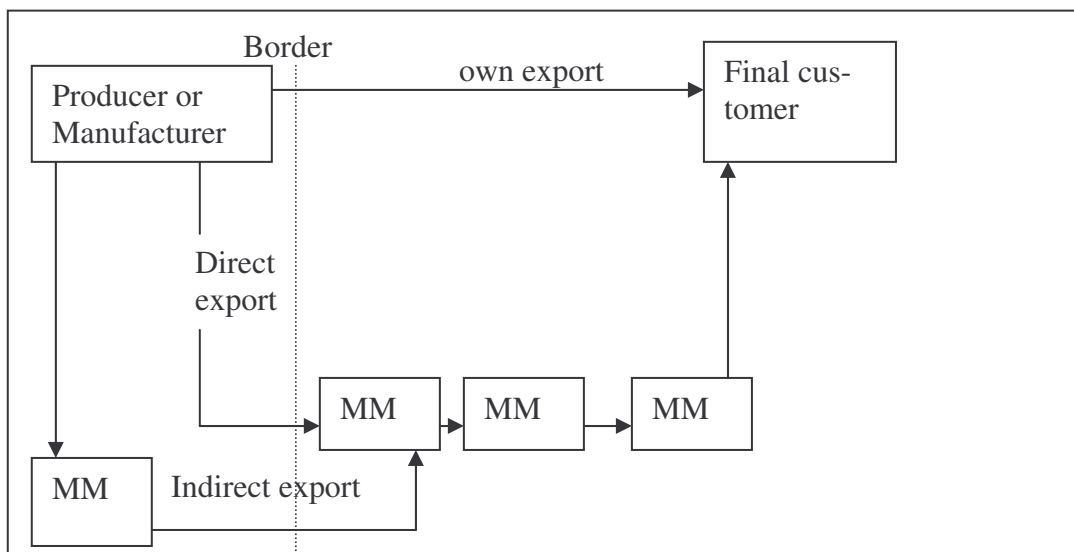
**Table 5.** Change agents in the internationalisation process (Czinkota et al. 2004: 230)

<b>Firm Internal</b>	<b>Firm external</b>
Enlightened management	Demand
New management	Other firms
Significant internal level	Domestic distributors
	Banks
	Chambers of commerce
	Governmental activities
	Export intermediaries -Export management companies -Trading companies

#### 4.2.1. Export Entry Modes

The simplest and easiest way to meet the needs of foreign markets is to export. The risks are minimum comparing to other entry alternatives. A market entry strategy consists of an entry mode and a marketing plan. Implementing an entry strategy for each market is analogous to establishing a channel of distribution (Albaum et al. 2002: 242,248). Luostarinen and Welch (1997) write more about international operations. Their opinion in exporting is that exporting is still the most common way of doing business abroad, especially for the manufacturers. There are three major modes in exporting. They are distinguished on the basis of number and kind of distributors between the manufacturer and final customer. The modes are: indirect export, direct export, and own export.

Export entry modes can be categorized in indirect and direct. Indirect export occurs when the exporting manufacturer uses independent organizations located in the producer's country. There are two broad alternatives for use when exporting indirectly: using international marketing organizations or exporting through a cooperative organization. Direct exporting exists when a manufacturer or exporter sells directly to an importer or buyer located in a foreign market area. (Albaum et al. 2002: 275, 280)



**Figure 10.** Export operations after Luostarinen and Welch (1997: 20).

In indirect exports the manufacturing firm is not taking direct care of exporting activities. Instead, another company in the home market takes the product abroad. The company can be

- a) a domestic distributor firm specialized in foreign trade, like an agent, a commission merchant or an exporter,
- b) a joint export organization, owned e.g. by exporting firms, like a local, regional or national export association, a product-based association or a target market –specialized export association,
- c) publicly owned export organization, which can be product-, area- or target country based,
- d) another industrial company acting as and agent or an exporter,
- e) foreign owned company located in exporting country. It can be a purchasing or some other sort of unit,
- f) foreign tourists Visiting the country,
- g) sales in domestic ships sailing in foreign waters. (Luostarinen et al. 1997: 20-21)

Luostarinen et al. (1997: 22-23) write about motives that drive a company to use an outside operator to handle they are exporting. One thing is that in the beginning of internationalisation a firm does not have experience or resources in do-

ing business abroad. Indirect exporting offers a low risk. The resources may be too limited to operate in greater number of target countries. In experienced companies, indirect export may be a useful alternative when company has targeted only a small number of countries and there comes a need to expand in another and a suitable middleman is found. If the markets thought are geographically remote, culturally distant but economically promising, demanding special knowledge, a special agency or export house may enable entry without any extra costs. If the products are standardised and differing only a little from each other the firms may decide to utilize a joint exporting organization.

Direct exporting exists when the producing firm takes care of exporting activities and is in direct contact with the first middleman in the target country. The middleman can be a special distribution company, a joint buying organization, or an industrial firm. Direct exporting is a more active export operation than indirect exporting (Luostarinen et al. 1997: 25). The last exporting operation mode Luostarinen et al. (1997: 27-28) wrote about, own export operation, applies when there is no domestic or foreign middleman between the producer and final customer. Own exporting demands travelling and contact with the markets and final customer. Though it is the most expensive export mode, it can still be most efficient. Own distribution is not suitable for instance selling non-durable consumer goods. Industrial goods may be sold through own exporting.

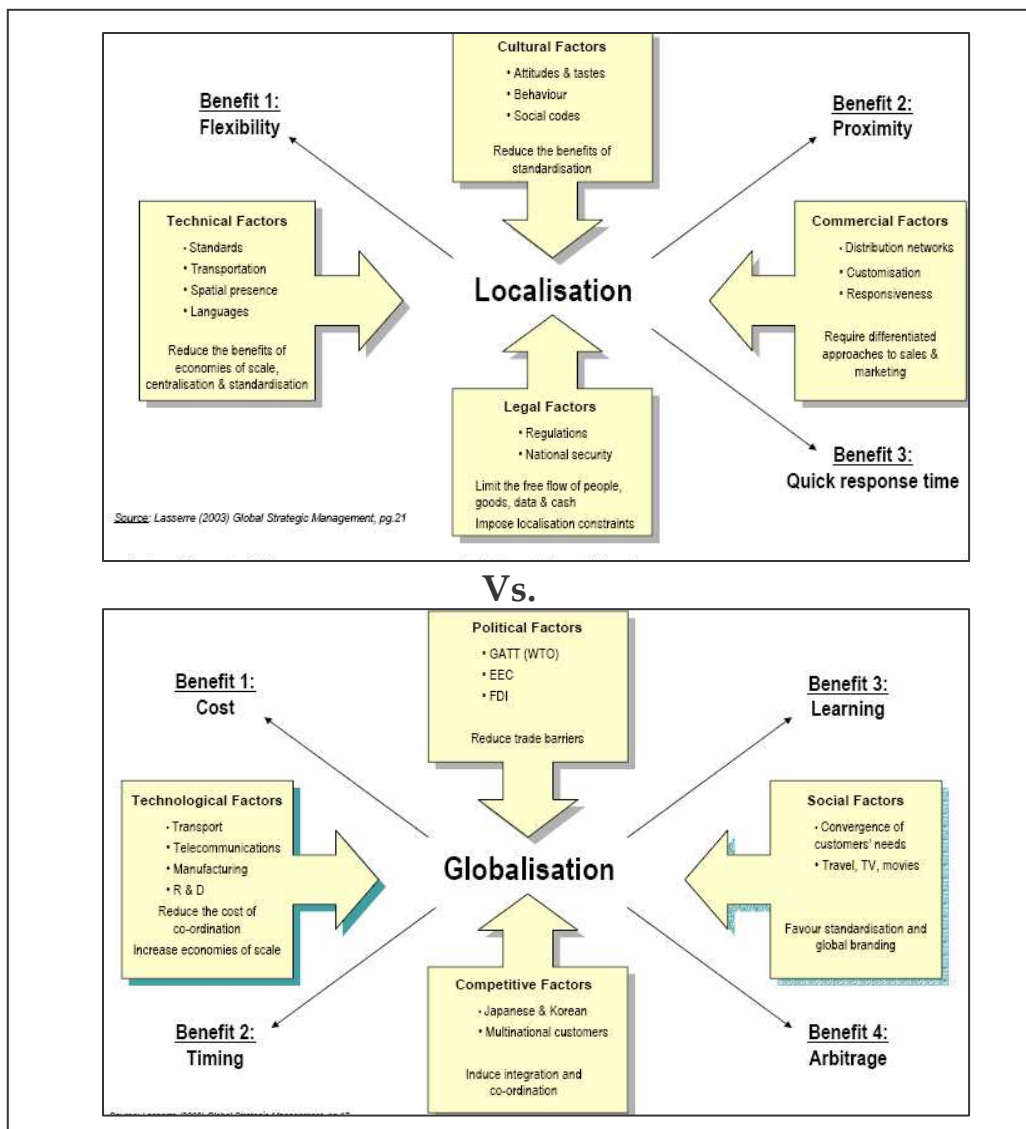
Firms that do not care to export can still participate in international marketing by making use of international market intermediaries. One obvious possibility is the selling of merchandise to a domestic firm that in turn sells it abroad. Alternatively, an exporter may buy products domestically to round out an international product line or a buyer from abroad may purchase goodies during a visit. Frequently firms also enter the international market with the help of market intermediaries who specialize in bringing firms or their goods and services to the global market. (Czinkota et al. 2004: 233)

### 4.3. Exporting Business Gifts in Case Company

In the seventies and eighties the case company was more international than today if thinking of international selling operations. That was because they were selling leather goods into Soviet Union as most of the Finnish tevanake-companies (textile, clothing, leather and shoe industries). After the end of socialism and Soviet there was no more a trading partner. Also the other straight selling channels abroad ended little by little. Straight export is today company's main way of internationalisation or international operations.

In the 90's the existing CEO bought the company and started to create the new strategy. A manufacturing unit was founded in Estonia. The trend leather goods, like bags, are made there. The main reason is to cut the manufacturing costs, though a trendy bag still costs ca. 100-150 € in a shop. The CEO's wife designs them and nowadays the company has two main fields, business gifts, including leather gifts and other brand products, and trend line, which is been sold only in Finnish department stores. So the business gift line is more international.

The business gifts have three different channels of through the get to the receiver. The most common is that the giver first buys the gifts from the gift company and the company delivers them in Finnish unit. When a giver company's representative goes abroad he or she takes the gift with and gives it to an international receiver abroad. Sometimes, in bigger cases, a courier takes the gifts straight from the gift company to the receivers abroad. A third possibility has recently become more interesting: The international receivers have been very pleased with the quality of the product and now they want to order their business gifts from this Finnish company. There might be the future of internationalisation of this firm. Comparing to any internationalisation or operation strategy, the company has had its own paths. Today, the company has to well think its strategy concerning international issues. The company is taking the second step if comparing to Uppsala internationalization model though it has manufacturing in another country. Still, the Uppsala model is not the best model for this company.



**Figure 11.** Localisation Vs. Globalisation according to Lasserre (2003).

The global vs. local dilemma exists within the products. Can in every country give a same gift or does it has to be localised and tailored in every country and culture? Here comes the point of case company's core competence, tailoring. Every gift they sold can be manufactured and tailored to be suitable for any company or any culture. The company is then more localised than globalized. Though every business gift company is trying to find a universal gift that can be given to anyone, gifts has to be carefully thought not to harm any relationship because of culturally bad thought. Today this universal gift could be USB-memory but tomorrow something completely different. The company is then more diverged than converged with its product category. In the figure 11. The

localisation push factors and benefits, the most important factors are the cultural factors: attitudes and tastes, behaviour, and social codes are in a great importance. Comparing to globalisation's benefits: cost, timing, learning, and arbitrage, to localisation benefits: flexibility, proximity, and quick response time, that is more suitable for the case company. They are also the core competencies of the company. So the cultural issues are pushing the company more diverged and localised.

#### 4.4. Conclusion

When choosing and giving a business gift, the giver's and the receiver's cultures have to be somehow understood; why the person is behaving that way. The Hofstede's cultural dimensions are one tool for understanding the gaps between the cultures. The case company has to focus on its internationalization strategies in the future, especially in the business gift area. The exporting modes have to know before thinking of next stages. Of course the history of the company has a huge mark for this process. The business gift companies are using mostly direct exporting and a mix of different export modes. The decision of the export mode depends on a case.

## 5. VALUE ADDING AND DIFFERENTIATION

In very competed business gift sector it is important to get attention of the potential customers. One way of differentiate from competitors is value adding and positioning, especially product positioning. The next section tells theory about differentiation methods by value adding and positioning.

### 5.1. Value Adding

There are added values, which come from experience of the brand, come from the sorts of people using the brand, come from beliefs that the brand is effective, and come from the appearance of the brand of its distinctive packaging. Consumers conceive value in four ways; value is low price, it is whatever I want in a product, it is the quality I get for the price I pay, it is whatever I get for whatever I give. (de Chernatony 2003: 369-370)

To be successful, it is crucial for companies to have especially clear view about the things that what added values their brands offer both understanding the importance of this added value for the consumers. Relevancy is one of the most important things linked with the added value. Many companies say that their products are good quality. What really means quality is not possibly easy to distinguish. (de Chernatony 2003: 371-372)

### 5.2. Adding Value Through Building Relationships

In b-to-b markets relationships and networks are in an important role. When a good relationship has been created there is no need to look for a new partner. In business gift branch, companies use year after year same distributor that gives them the best solution, because the resources are limited. (CEO 2005)

A strategic role for positioning includes positioning the company so that its capabilities provide the best defence against the competitive force, influencing the balance of the forces through strategic moves, and anticipating shifts in the factors underlying the forces and responding to them. There are three types of sources from which strategic positions come from, variety-based positioning, needs-based positioning and access-based positioning. There is a suggestion that positioning in the mind of the customer can be achieved using meaningful themes. They have to be perceived but they have to have also their basis in real life. They need to be equivalent. (Ellson 2004: 30-31, 37)

### 5.3. Differentiation

Consumers normally choose products or services that give them the biggest value. One of the most important things for a company is to deliver more value than others and by that gain the respect of their customers. That is called competitive advantage. Differentiating can be done in many different ways. Boston Consulting Group has created four types of industry based on the number of competitive advantages and the size of advantages (Kotler, Armstrong, Saunders & Wong 1999: 434-435).

Volume industries have only few big advantages to be had. In stalemate industries the advantages are few and small. Fragmented industries offer many differentiating opportunities. Each opportunity is small. In specialized industries companies have many opportunities to differentiate and the advantages are big. Business gift area is somewhere between fragmented and specialized industry. Differentiation is quite easy to do if the companies want to be innovative and push their customers to buy new sort of gifts. In markets there are companies that offer traditional gifts and other companies whose product category is differentiated from others. Still the pressure for products comes from customers' point. (Kotler et al. 1999:435; CEO)



#### 5.4. Positioning

Al Ries and Jack Trout wrote (1986:5): "To be successful today, you must touch base with reality. --- To be creative, to create something that doesn't already exist in the mind, is becoming more and more difficult. If not impossible." The basic thing in positioning is not to create something completely new but to manipulate and change what already exists, especially in the minds of consumers. That has to be done because present markets are so filled, even stuck with the different kind of information from a same kind of a product. The mind screens and rejects much of the information offered it. It only accepts the facts that can be linked with prior knowledge or experience, which there is not much. The only defence a normal person has, is an oversimplified mind. And to affect in such a mind, is to communicate oversimplified. To cope with complexity surrounding us, people have learned to simplify everything. First of all it is crucial that positioning is not what is done to a product. Positioning means how the product is positioned in the mind of the prospect. For example, changing name, package, a product face-lift, are done to secure the position in the prospect's mind. (Ries et al. 1986: 2, 5-7, 30-31)

Trout and Ries have used a term "Unique Sales Proposal", USP what means the thing that differentiates the product from the competitor's one. There can be several different functions for that, but in a real life, a decision maker cannot manage many different at the same time in the modern day information flow. USP means that positioning's main focus is not create something completely new in the consumer's mind. It is more meant to strengthen the vision there already is. Consistent view and its strengthening is in many cases a very blooming investment because a consumer or a decision maker can include the given marketing information in something that already exists. (Laakso 2003: 150-151)

Laakso (2003:157) writes: "Positioning should be an organized process where analytical logic and instinctive creativity are combined." The main things in positioning are in what business area the company is operating, what are the real buying motives of a consumer, what is the reality of the product competition benefit (UPS), how to gain the interest in consumers' mind, and how wilful the company and its representatives are in the positioning process. (Laakso 2003: 157-160)

It is easy to get into people's mind if you are first in the market. If you happen to be the second or the third there then you have a big problem how to get into their minds. That is also called a positioning problem. The easiest way to get the people's attention is to find out a field you could be first in the market. Most products fail to achieve the set goals because of the target put on better rather than speed. Other companies than the leader often take the me-too attitude and then fail though they should be improving their own product. (Ries et al. 1986: 19-22, 53-62)

Trout and Ries have invented positioning gaps where a new competitor can work. By that they have created positioning strategies to fill the gaps. The high price positioning gap that the case company has used means that a brand, in this case a product, has to fill the positioning gap done by a high price. It has to know why it costs more than the competitors'. It has to be in a product category where the consumers are ready to pay more. (Laakso 2003: 217, 219)

## 5.5. Product Positioning

Positioning by the product function is still the most used product positioning form (Laakso 2003: 164). Laakso believes that relying in product function gives the trustworthiest way to separate from competitors. He also thinks that the good, different design gives a good benefit in positioning and differentiating. Product functions often cause benefit for a consumer. It is good to put them into two categories: rational and emotional benefits. Rational benefits are linked quickly with the functional product functions and the emotional ones in the case when a consumer makes his opinion to buy a certain product. Product's position is the way the product is defined by consumers on important attributes. It is the place the product occupies in consumer's mind relative to competing products. (Kotler et al. 1999: 443; Laakso 2003: 164-165, 171)

Company's competitive advantage and its product's position can differentiate widely. A competitive advantage is the company's strength thus the position of their product is a prospect's perception of a product. Consumers are frustrated

with all the information they get about products and services. Though business gift decision is done between two companies, there are still people, consumers who decide. In b-to-b area their deciders are more frustrated and very busy. They want the decision process to happen easily. To make the buying decision process easier, consumers set products into categories, which means that they position products, services or companies in their head. "A product's position is the complex set of perceptions, impressions and feelings that consumers hold for the product compared with competing products", Kotler writes. That is happened in consumers' minds with or without a help of a marketer. The best way for marketer is to handle all the positioning process and not to leave i.e. product's position floating. (Kotler et al. 1999: 443)

Visions differentiate product from other competitors of a business branch. That is very important in branches where the product itself differs only a little or not at all from competitor's product. This is important in business gift business because many operators are offering same kind of products. Case company differs from the other competitors by offering ready-made packages, where the product and the sub-products and sub-usage are thought beforehand. (Laakso 2003: 160)

## 5.6. Conclusion

Business gift markets are very competed. To be successful, a company has to differentiate somehow from its competitors. Differentiation by product positioning could solve this problem. With different product categories divided into by materials, colours, occasions, the gift company could become a part of decision maker's mind set. One way the companies are competing is the good service they give and the personal, long-lasting relationships. A company has to be different, combining value adding by relationship and product positioning is a one solution.

## 6. METHODS OF RESEARCH

This study was based on decision-making and purchasing theories and cultural issues. The empirical study was qualitative. The research was descriptive. This research is function-analytical (Laaksonen 2005). Qualitative research is an unstructured, exploratory research methodology, which is based on small samples that provides insights and understanding of the problem setting (Malhotra 1996: 147). The meaning of this study is to find out how the business gift decision is made, especially when the gift is given internationally. What are the factors behind the business gift purchasing process? How much does the decision-maker's own personality affect with the organizational decision factors for the end product?

### 6.1. The Method of Research

The purpose of the research is to give a general insight to the research problem. That is why the nature of this research is qualitative rather than quantitative. If the researcher has not a large number of representative cases to analyse and form statistical data analysis, quantitative research cannot be chosen (Malhotra 1996: 148). That is why the research will be qualitative. To get the primary data, professional customers, in this case buyers are interviewed to gain the primary data needed. The data is in the questioning stage linked to the theories and beforehand crosschecked.

Usage of primary and secondary data is very important in the scientific research. Secondary data play an important role and in some cases it may be adequate to answer the research questions of interest (Craig & Douglas 2000: 38). Secondary data have already been collected for some other purposes than the problem at hand. Because of this it is easily accessible and quite cheap to use. The reason, that secondary data has been collected for other research's need, may influence the usefulness of the data when considering the research problem examined currently. (Malhotra 1996: 112) Opposite to secondary data, primary data is collected for the specific purpose, to answer one specific research

problem (Malhotra 1996: 112). Collecting of primary data is often expensive, but it is very important for many strategic and tactical marketing decisions (Craig & Douglas 2000: 39-40).

This study is based on qualitative research, which helps to get answers to the research problem. Qualitative research is an unstructured, exploratory research methodology, which is based on small samples that provides insights and understanding of the problem setting (Malhotra 1996: 147). In qualitative research the aim is to understand the object of research and not trying to make conclusions for general usage (Hirsjärvi, Remes & Sajavaara 2005: 170-171).

A good and solid basis for the research is been created when researcher's decisions in all four levels – problem setting, science philosophy, research strategy and theoretical understanding – are coherent. A framework for the research can be ontological, which represents questions about the way of reality. Epistemology studies the origin of knowing and nature and how the information is created. Logic concerns about principles making true and witnessing the truth. Teleology sets questions about meaning. Ontological and epistemic meanings are very important but also very problematic during the research. (Hirsjärvi et al. 2001: 117-118)

The starting point of qualitative research is to describe the real life. In qualitative research the target is been researched wholly. The researcher cannot forget the values, because they create the way what and how we try to understand the target. Objectivity is not reached completely, because the knower (researcher) and the target of knowing are linked tightly. It is been said that qualitative research more likely finds or reveals the facts than makes the truth real. (Hirsjärvi et al. 2001:151-152)

The outcome of this research is to develop an initial understanding of how the business gift decision is made and what are the affecting factors behind the decision-making process in an organization. Because this study only wants to give an insight to this sort of organizational decision-making, which contains features of consumer decision-making, qualitative research is more appropriate than the quantitative research method. The study gets deeper insight with the qualitative method because by interviewing the company's customers, buyers, deeper meanings behind business gift decision-making can be found. And by

that, perhaps in the future, a quantitative research could be done and after that create a scientific model how the business gift is purchased. In quantitative research the objective is to quantify the data and generalize the results from the sample of the population chosen by the researcher. Because the outcome of quantitative research is to recommend a final course of action, this is also one reason why this research method is not used (Malhotra 1996: 148).

**Table 6.** Qualitative Versus Quantitative Research (Malhotra 1999: 148.)

	<b>Qualitative Research</b>	<b>Quantitative Research</b>
Objective	To gain a qualitative understanding of the underlying reasons and motivations	To quantify the data and generalize the results from the sample to the population of interest
Sample	Small number of non-representative cases	Large number of representative cases
Data Collection	Unstructured	Structured
Data Analysis	Non-statistical	Statistical
Outcome	Develop an initial understanding	Recommend a final course of action

In the beginning of empirical process the top management of the case company was interviewed to get a clearer picture what is their problem and what they want to know.

By those interviews was found new relevant questions for their customers. From customers were asked questions the company wanted to know, questions that had risen from talks with CEO and other personnel. First were studied positioning strategy, decision-making books and articles and there rose more important issues. By that was made questions that were relevant for the study and also for the company. By interviewing company top management first, target

was to find the real managerial problem behind all those beautiful sentences they told about their company.

After several interviews and discussions the problem was found and question setting could be done. A first idea was to interview few company's Finnish customers and after that their customers in other countries and cultures on how they have felt their receiver's position. Unfortunately that was impossible because the case company did not want to be impolite and the data collection could have been difficult. That is why the interviews only concentrated in the Finnish top-customers who had had a long-term relationship with the case company and who gave gifts to another countries.

The case company gave three names that were interviewed. They all were from the same corporation but from different companies. They all had a same position, they were executive assistants, who had done business gift decisions and purchasing for many years. The questions concerned about decision-making, purchasing of a business gift, giving gifts internationally, how the product is delivered to receiver and is there notable things concerning about positioning, especially product positioning. The case company wanted to know if it is important for the buyer that the product is made in Finland. The interviews lasted ca. 60 minutes and they were written out word-by-word. First of all, cross-check between questions and the theory was done to see, if the questionnaire was relevant and valid. The empirical part was written out person by person in each section linearly. Few sections are a combination of all three respondent's thoughts. Separately written sections make it easier to compare the respondent's mind and their opinions and find similarities there. In combination parts respondent's answers were same sort of. It tells of the same sort of manners and regulations in the corporation and its companies.

## 6.2. Qualitative Research

In a middle range of the qualitative-quantitative continuum, it is possible to specify a minimalist definition of qualitative research. It includes the next elements: Qualitative research involves in-depth, case-oriented study of a quite small number of cases, including the single-case study. It seeks detailed knowl-

edge of specific cases. The goal is to find out how things happen. The primary goal of a Qualitative research is to make the facts understandable. Less emphasis is placed on deriving inferences or predictions from cross-case patterns. (Nagel, Ragin & White 2004: 10)

The most guidelines Nagel et al. (2004: 3-4) had collected, are suitable for all research types. A research should be written clearly and engagingly for a broad audience. It should be situated in relation to existing theory. Location should be done in the relevant literature. The theoretical contribution of the research should be articulated. Clear outlining of procedures is important for the research. A description of the data to be collected should be provide. The plan for data analysis and a strategy to refine the concepts and construct theory should be discussed. The possible impact of the researcher's presence and bibliography should be noticed. The information about research replicability should be provided. The plan to archive the data should be described.

### 6.3. Validity and Reliability of the Study

When evaluating the validity of the research has to remember and focus on the question setting. The research reliability is not very high due to the size of population, three. Though all the respondents gave same sort of answers the research is not statistically reliable. The same sort of answers can come from the point that the respondents were from the same corporation though from separate companies inside the corporation. The corporation culture and the manners can affect on the respondent's opinion and the view. Still the questions were universal and could have been asked from any of the case company's customer. The questions were made from the case company's point. That may have cause same difficulties for the research validity and reliability.



## 7. EMPIRICAL FINDINGS

### 7.1. Company Presentations

The case company works in fashion-industry, more specific in leather industry. It manufactures and markets leather-made business gifts, such as hand bags, purses, key rings and markets them under their own brands. It also sells other products suitable for business gifts, such as travel suitcases, kitchenware, golf accessories and others. The company idea is to buy, e.g. a Swiss army –knife and design and manufacture something in leather suitable for the normal “business gift”. That gives the product more value, and their customers, who respect a good quality, get more interested in using company as their business gift distributor.

The company locates in three places: marketing and manufacturing in Vammala, marketing and selling Helsinki and manufacturing in Tallinn, Estonia. The company name comes from the designer, so the company wants to be personified in the designer who is CEO’s wife. Other name the company uses is company they bought a few years ago. That name is been used as a name of their factory outlet in Salo and Pihtipudas. There it sells its products also for consumers. Their leather bags are sold in Finland’s biggest department stores. But this study is concentrated in business gift area that are manufactured and sold to other companies.

The company tailors each of its leather business gifts suitable for customer. They have no ready products in warehouse so they manufacture every purse or key ring by their customer’s order. Buyer can decide the colour, leather, inside pockets and model he or she wants. The manufacturing process is not wholly machined. People are still needed and that is why products are so easily tailored for customers needs.

Mostly the salesmen who travel across Finland and offer business gifts to companies do the sales. When there is a long-term relationship between companies, buyer just calls and asks a suitable gift for workers Christmas gift. The company has twice a year a selling day where new products, what is “in”, are shown. The

business gift decision makers come there and they are expecting to see something new. They have very tight schedule but those days are very important for both sides. When seeing the product, gift, live, gives the decision maker better opportunity to do the decision faster and easier. The company has its section also in Finnish business gift fair every year and they are searching new ideas from competitors.

Kåre Hansen has written an article concerning about the trade show performance. He has studied that the performance is measured within the one outcome- and four behaviour-based control systems. Trade shows have a significant role in the marketing operations of many companies. They are events where products and services are sold or contracts and rights signed. Still there is very little systematic research concerning trade show activities. Outcome-based control systems are mainly sales-related activities, meaning how much is sold on-site and immediately after the show. In behaviour-based systems information-gathering activities contain the information about competitors, customers, industry trends, and new products at the trade show. Image-building activities are related to building corporate image and reputation at the trade show. Motivation activities are for maintaining and enhancing the motivation of company employees and of customers. Relationship-building activities are related to maintaining and developing relationships with established customers and establishing relationships with new customers. (Hansen, 1999: 1-6)

The empirical study was qualitative and the sample size was three. All three respondents were from the same global corporation but from different companies. The corporation is consulting, developing and hosting its customers' digital businesses. With over 15 000 experts, they are one of the largest IT services providers in Europe. The corporation is focusing on few business areas that have divided into companies. The principal ones globally are banking, telecom, healthcare and forest. In these areas, they work hand in hand with many of the world's leading companies and organizations in 25 countries.

The case company had close relation with this corporation and these three companies. They are few of their most important customers and the company wanted to know more about their opinions because they have had a long history together. The case company scheduled the meetings with the busy respondents. All the three respondents were Finnish middle-aged female. All they

were working as a executive assistant and made the business gift decisions of their company by themselves or in some occasions with their superior, the top management of the company. They had a long history as an executive assistant. Two of them had done it in the company for twenty years, one of them had worked there only for a while but had a long experience from another global company.

The areas the respondents were working were banking and insurance, forest and energy, and telecom and media. Banking & Insurance business area is one of the leading provider of high-value-added IT services for the banking, finance and insurance industries. The domestic market is Northern European Countries. There are 2 500 employees and Banking & Insurance operates in 14 countries, 1300 of them works in Finland. Customers include the biggest bank and insurance companies of Scandinavia. Telecom and media works with customers from every area of the telecom and media value chain, from content providers to manufacturers and operators of telecom networks and mobile devices in Europe. There are ca. 4500 consultants on telecom assignments, 1400 of them in Finland. Forest & Energy is a leading provider of high-value-added IT services for selected industries and its key customer industries are forest and energy. It develops IT systems covering its customers' entire value chains, from procurement to customer relationship management. The area employs more than 1 200 (700 in Finland) people in seven European countries as well as in the USA, Canada, Singapore, Indonesia, China and Malaysia.

The decision makers, executive assistants have a storage where they can decide what to give to a representative when going abroad and when a business gift is needed. The storage is filled a few times a year and they make the decisions with the case company sales person what could be nice for this time. The corporation has an intranet net store where the decision makers can order gifts, give away products and promotion gifts and get them almost immediately.

## 7.2. Business Gift in General

The first respondent worked on Insurance and Banking unit where are ca. 1300 employees. The business gift decisions are done together with her superiors.

Only a small amount of money goes to business gifts, and there is no budget on how much to use. She thought that it would be nicer to control somehow how much money is been used on business gifts. On the other hand business gift giving is part of marketing. A normal business gift costs ca. 20-30 €. Not much give away products are given because the company is not operating on fairs.

The receiver of the gift is usually middle management, top level management, or project workers, who get the gift whether in a start or when the project is finished. The gift is given outward or in-house as a personnel Christmas present or as a project gift, on a 50<sup>th</sup> or 60<sup>th</sup> birthday, or on a retirement day. Every business area decides on what occasions the gifts are given; a smaller unit has given even spring presents. The gifts must be given under the taxation regulations. The personnel gift is strictly decided to cost the particular amount. On anniversaries, the person can decide what he or she wants, usually computer parts, bicycles, jewellery etc. In-house, there has been 3 years a web store, where you can order the basic business gifts and give aways, which include the logo of the company. It is the fastest way: you order today, tomorrow it is on your desk. It is meant to be the warehouse of the basic business gifts. Every unit in every country orders from there. The benefit is that everybody gets and gives a same looking gift.

The second respondent worked in forest and energy field. There are 1400 employees, which of them 700 work in Finland. Every unit in every country has their own budget so they can use the money as they want. A big part of the business gifts is given under fairs because many of the new contacts are solved there. Most important contacts are seen there and those need a real business gift, not give away –products. The average price of a business gift is 20 euros. The gifts are given throughout the year. The normal occasions are important meetings in-house or with customers, new customers, rewarding, fairs, and business trips. The Christmas presents and personnel anniversaries are noticed. A birthday presents cannot be bought and stored. They are bought individually in every case by asking the person what he or she wants and by noticing his or her hobbies and interests. If the respondent could choose, she would buy a surprise after searching the person's interests. When choosing the gift, the needs of the company are the most important criteria. A business gift is one of the company's most important "business cards". That is the basis of choosing the business gift.

The third respondent worked as an executive assistant in telecom and media unit. There are 5000 employees and half of them work in Finland. She makes the business gift decisions for top-level management and purchases them. Now on she has collected business gift storage for the whole business unit where also the other employees can come to pick up a gift. The biggest invest is the personnel Christmas present. A normal business gift costs approximately 15 to 20 euros, the executives' Christmas present costs over 50 euros. 70-euro gift is given only on special occasions like birthdays. In her last job, the gifts cost more. She thought that Aalto-vases are good gifts for top management.

When she started on the position, there was no ready storage, only few plastic-made alarm clocks that no executive could give as a business gift. A good business gift should be usable; it should express with its quality the level and the quality of the giver company. "If the company gives a present, which gets broken under a first try, how can a customer feel that the giver company is working properly?" she thought. She gave an example of an egg timer. A famous Italian pasta producer offered it when buying their pasta. The timer was funny looking and gave a good picture of the famous brand. Unfortunately the timer system was badly made: one minute was something like three minutes. That was not the main idea the company would have wanted to show. Little things like poor quality of a business gift can harm the image of the company.

### 7.3. Business Gift Decision-making Process

The first respondent had worked in the house since the 80s, first in the company's marketing section. After starting at her present position she has done the business gift decisions by herself. She does not want to give garbage or kitsch. A gift should be useful or something you use once and through it away. A good gift should not be dusting in a self. She thought she was more like a handy person. When somebody comes and asks for a business gift there is a small storage where to choose. If they do not satisfy the giver, in co-operation with the executive assistant they think what is the need, what sort of a gift should it be. The purpose and the occasion are also carefully sought. If it is birthday or other anniversary, then the gift is bought from a shop. If the schedule is loose, the gifts

are ordered into storage. From purchasing days, most of the storage business gift is bought. If there is a bigger need, a bigger amount is purchased. The respondent makes the decision. The first respondent thought that her own opinion naturally affects when making the business gift decision. If someone else thinks something is nice but she dislikes it, it is very difficult to do the purchase. She said that the decision happens like she would buy the gift for personal use. She thought the process is more emotional than rational. Nevertheless, not every gift that is bought into storage, she would like to give or receive. But they are meant for the needs and the purposes of the company.

The company regulations affect behind with the brand and colour: what colours can be used and where the logo should be. A logo is not marked in expensive anniversary –gifts. The name should not be marked with too big a font. In that case you are advertising the product, which is not the meaning of the company gift. Sometimes it is very easy to purchase a gift. The first respondent has never felt the purchasing of a business gift awful. Sometimes you have certain limits. When buying into storage, it is nice because you can choose what feels good and could be given in some occasion.

The second respondent says that basic business gifts have to be found in storage. They have to be very fast and easily available. For every season is chosen season products, some are expensive gifts. A gift should be neutral, suitable for men, women, Finland, or Asia. The case company's sales person calls and tells there are new gifts. Sometimes gifts are bought from impulse, sometimes they have to be thought very carefully. The basic gifts the respondent decides alone. In special occasions, the decisions are done with the executive or with the master of the occasion. The second respondent's opinion is that business gift decision is only business and part of company's purchasing process. The business gifts are meant for supporting the business and give a good image, like wealthy, and a strong brand, of the company. The company brand has to be noticed in every case. Though the process is more business for the second respondent, the emotional side and consumer side affect more. A nice gift gives you a good feeling. It is nice to purchase gifts. There are many good choices but the situation is limited. A difficult part of purchasing is that there are so many good choices where to choose. It is easier to buy a one special gift than complete the storage. No kitsch is given if possible; a summer gift cannot be too humoristic when the gift is given in business life. There can be humour and fun in the gift but not too

much. A good gift is something you can put on your desk and it gives you good memories when you see it.

The third respondent has purchased mostly storage gifts because when she started at her position there was nothing but old plastic logo-alarm clocks that could not be given to anyone. When buying a gift she is in the first hand a representative of the company on the second hand she thinks what it feels for her if she was the giver or the receiver of the present. Kitsch or impractical gifts are something to avoid. They are the most unneeded business gifts. A best gift is something that is in daily use and so good quality that the giver company does not to feel the shame when giving such a product. A good gift mirrors the company and its value and person. If a cheap product breaks after a first use how can a receiver feel the giver company offers the best solutions in best way for them?

The third respondent said: "The logo should be seen somewhere. Because if you are ashamed of adding the company logo then why you are giving anything at all. A too big logo on a jogging suit ruins the idea and the one who wears it is ashamed. Work wear are different, the logo must see. If the customers are taken to a journey and they are given jackets, the logo should be marked only small on an unnoticeable part like sleeve or pocket. If a logo is put on a design product, it is the biggest mistake that can be done."

When asking if the decision-making process is more rational or emotional the third respondent said that the usage and how useful are part of the rational part. In emotional side she thought that it is stupid to give a bad gift. A good gift is found when it feels so. That is the point in every consumer purchasing she makes. It is not easy to buy a gift if someone else says it is nice and she dislikes it. A decision-making is difficult when somebody else sets the limits. She thought that it would be easier and nicer to buy a gift if you have a certain budget. It would give frames: this much you have for Christmas etc. Organisation or executives give only very little or no response or comments at all on the business gift post-buying phase. Also the third party, the receiver gives no comments. The executives give only negative response.

Though the usefulness of the gift was the most important part the third respondent buys gifts that have no really use and she would never buy it for herself.

That sort of gifts are given as a summer presents. Impractical and unneeded is fun, most awful gifts are scarves and ties. "They are the most stupid thing to purchase into storage because it is very difficult to know receiver's person and the taste," she said.

### 7.3.1. Business Gift Decision Maker as a Receiver

A third respondent thought that as a receiver it would be nice if there was something to do with the gift. For example she thought a good gift and product is the case company's bag. A good gift can be taken home and it is been used. If the gift is impractical for the respondent she gives it straight away to someone who needs it, mostly to relatives. She never throws it away. The second respondent feels pleasure when receiving a gift. It is nice to get gifts and she respects the giver. If there are any suspicions why the giver has given something weird she sets herself on the givers position and thinks why the gift is given. Every gift has found a use, at least in her family. She said that fortunately the givers have had some sort of a personal relationship with her and they know her taste.

A third respondent said that the gift has to be useful. A best business gift for her is something that is linked with sauna. She has received many good brand and design products that are on daily use. The worst gift had been a bed-smelling Santa Clause soap, and a naïve, pink washing towel. In that same Christmas many different company gave the same cheap present, as a give away or a small Christmas present. It will be soon given in a school lottery win. She has received lots of ridiculous and lots of good gifts. A good present is something that is in daily use on your desk. The value of the gift is not the only aspect that matters. Beautiful decoration things are difficult because you never no the receiver's taste enough good. If she does not need the gift, a family member, or relatives get it or it is give to a lottery.



### 7.3.2. Importance of a Personal Sales Behaviour

If personal selling behaviour does not work there are so many other business gift companies in Finland where to choose, thought the first respondent. The readiness to serve is one important thing. If you get only "No, we do not have it!" -response or a response where they are ready to find out where to find it, the one who is ready to do for his or her best gets the deal. The case company has been chosen because their personal sales behaviour is very good; especially one person is ready to do everything to satisfy the customer's need. Personal selling and price per quality are good in the case company. The respondent has followed the one sales person into third company because she finds the best and interesting products.

The way the first contact is taken has a huge meaning for the second person. It does not mean so much if the products are interesting. If the gift company sends you messages on good thing that is important. The co-operation and close contact to the gift company mark a great deal. A company has to know the giver's culture, brand background, and design manual. Long-term relationships are better. They started to use the case company when the one sales person changed her position there. She is extremely good, knows the company and can set into the giver's boots, and she knows what the company wants to give to its customers. A sales person with his or her image and person matters. Chemistry has a big part when doing a long-term co-operation. A sales person should not be aggressive or unpleasant.

A person you are operating with should be nice, the function should be simple and easy. The third respondent hates forced selling, when somebody calls time after time and does not believe for the first time she is not interested in. A good gift company and sales person is ready to offer new ideas and think what the giver company really needs: where to put the logo, ready to give new ideas on gifts. The person not just offers old ideas: "This product has been very popular with other companies." That is a negative selling argument. It is important that the orders come when needed and ordered and the products are that what has been promised. "Mistakes happen but the quality has to be what is been promised," she forced. The sales person is ready to take care of the ad hoc -needs so not every gift is ready in the storage. It is important you can buy small

amounts, though it still raises the costs. If you really do not need 50 wallets or 500 pens why you should have to buy them?

#### 7.4. Business Gift in International Context

The international business gift giving has diminished very much on the first respondent's company because there are fewer countries they are operating. The universal gifts today are USB-memories. They are not expensive and everyone in business life can use them. On a business visit, a Finnish glass is very popular gift. The case company orders whether Finnish or brand products with good quality. The things that affect for the gift are how developed the markets are, what are the manners and customs and how the gift is taken there. In-house, every country unit purchases their own Christmas presents, the amount of the money is the same. The most important thing to notice when the gift is given abroad is the culture.

You have to be very careful when giving a gift internationally thought the second respondent. Lots of the gifts go to Asia where to gift culture is very strict. The personnel get more from the business gifts, ca. 2000 Christmas present. In-house, the international units may not approve the Finnish Christmas gifts. The personnel and customers get fifty-fifty the gifts. Still, most of the gifts are given in Finland.

##### 7.4.1. Giving Gift Abroad

If the gift is sent with an executive to a customer company, it is worth to ask from that country's assistant what would be good to give. One thing to do is to open a business gift and etiquette book and read there where the knife is not suitable. Flowers have more meanings in certain countries and that is why a good book is useful. People in international business visit give the gifts. To make the situation easier, it is good to find out beforehand what things have to be considered. Fortunately, the company is international and the country units give help when needed.

The third respondent told that there had been a seminar in Rome where the customers are the speakers. She put 50 Aalto -vase with their company executives as a thank you gift for their customers. Aalto -vases are one of her favourites. It is a nice piece of Finnish art glass and design. It is small and easy to take with. The glass vase has many different ways to use in a dinner table or at the desk. Aalto -vases have been something that has been very liked among international customers. One respondent says that a gift has to give certain emotions and it nice if it is Finnish though the corporation and the company are international because you are taking Finnish image to another country.

#### 7.4.2. Taking the Gift Abroad

The gift is taken with the visitor and given personally. A courier takes them, beforehand, if there are more, or the gifts are given in-house. In one company, a gift provider takes the gift for the personnel, so it is some sort of a turnkey solution. A courier service gives cheaper contract. Size does matter, especially when the gift is part of luggage: package cannot be large or heavy when it is sent or given directly. A gift size has to be handy and compact. The Asian favourite material, glass, is difficult to transport. The way how the gift is transported depends on the person who takes the gift. If he or she is on time and there are lots of gifts the transportation can be settled beforehand and the courier takes the gifts. If the need rises on the day before the departure, there is not much to do with the business gift decision and transporting.

#### 7.4.3. Cultural Differences

The nation and the culture have to be considered to avoid stupid mistakes and to avoid hurting people. That is why cultural background has to be checked before. Cultural differences have to be always considered: if there is something that is not appropriate to give, what is a good time to give. Even Finns have cultural divergence. Taking good care of the differences helps to avoid situations where the respondent feels the gift as a bargain or negative feedback. It is meaningful on what nation the respondent comes from.

In the Eastern European countries has to always give gifts. They expect to get a high quality, not cheap, preferably Finnish products. Difficult cultures are Asian countries. Russia is very challenging culture area, they need extremely expensive products, and they know the price and tell beforehand what they want. The Northern countries, Germany and Great Britain are culturally quite same as Finland and to those countries it is easier to buy gifts. Still Great Britain differentiates somehow from Scandinavia and Germany: here everyone has a laptop, in Britain there are more conservative people who still like to use pen and paper.

Asian like wood, leather, and glass and the packaging is very important for them. They dislike lousy packaged gifts. The giving is own ritual and an important part of the business meeting. In Asia, the chief executive and the middle management receive the same product but the size is different. The highest in hierarchy receives the biggest, a level down smaller and junior management even smaller. Extra gifts have to be taken with to avoid the situation when gifts are out and there are important people still without a gift. In Asia package, material and size are the most important factors. Chinese have become more international in recent years. The Asian cultures are most challenging. It is important to always remember that the package is maybe more important than the gift. Sparkling and ribbons on the top to make the gift and package look better. It is very important with wood- and leather products when given to Asia that they are not manufactured in Asian country.

The gift colours should be neutral, earth colours does not make any difficulties in any part of the world. When given to Northern countries or Europe the cultural background does not to be much considered. When the gift is given outside the Western Europe, more background work has to be done. The Americans are culturally quite close but materialism plays a bigger part for them than for European. If there is not yet business suit etiquette and the people wear traditional clothes, then the culture has to be considered and handled carefully. If you go to other country to meet Finnish customers and the business relationship is old the no gift is given. Only, if it is a new customer, then is taken a gift. It would feel weird to give a gift from Finn to Finn if the relationship is old.

If the company and the receiver are well known and the co-operation has lasted for years the business gift decision happens in different way. You can buy a

traditional Finnish knife if there has been a discussion about this Finnish manner that many Finns get a knife for their 50<sup>th</sup> birthday. It can be a funny thing, if only you and the respondent know while others are wondering why he or she got a weapon. After that the receiver tells that this one comes from Finland and this is a common custom there. A pen or a photo book from the giver's country could be universal gifts. One respondent thinks that case company's leather products are universal and can be given in any culture. Wallet is a cross case. Arabs can understand it wrong. Business people want to tell that they have universal, global business etiquette. When giving a Finnish glass, one respondent chooses whether blue or uncoloured glass. If blue is in the receiver's culture a taboo-colour, it is easy to show that blue is one part of Finnish culture and a typical Finnish colour.

The third respondent said: "If I give a gift from my culture and it is somehow weird or wrong in other culture, I expect that the receiver understands that it is a product and representative of my culture. Finns think too much for mistakes that might happen and the receiver's culture; that we are not too incorrect and impolite. How much our cultural background and manners are thought when a giver from another country gives us a business gift? If the colour is wrong, is it a crucial mistake?"

#### 7.4.4. Importance of a Finnish Business Gift

The first respondent said that it is quite important that the product is made in Finland. Of course one important attribute is price. In many cases Finnish product is more expensive. She would choose a Finnish gift, if possible. But if some international brand product has a better quality, she purchases it. If a Finnish product and a brand product are on a same line she picks the Finnish one. Finnish products are from Finnish culture, they are well and carefully made quality products. She did not prove bad quality, cheap-made Far East products at all.

The second respondent thought that it means a lot if a product is made in Finland, especially in Asia. A Finnish product wins a brand product. She prefers to give Finnish gifts though the company is international. The company representative is still taking part of Finland with him or her.

The third respondent was on the same line. She likes to give Finnish gifts because of their good quality and idea. In an international company it does not matter that much if you are giving a Finnish product or something else. It depends more on the business sector the company is working. Her executive made a week journey to South Korea. He met there lots of new business contacts. In another unit, a Korean assistant helped her to find suitable gifts. She purchased Kivi -candelas, Heljä Liukko Sundström's ceramic paintings, reindeer skin, and Finnish photo books. They were all made in Finland and they somehow show what the Finnish culture is.

### 7.5. Business Gift Positioning

The respondents were shown pictures of case company's products and product lines and asked what they thought about the idea on putting them into product lines after the leather style they were made or the usage they were designed to. The product lines are named after their style. Did it have any meaning for the respondents if the products are ready divided into lines and where to choose continuity gift occasion after occasion? A first respondent told that a leather lipstick cover or products designed for do not affect on her decisions. She looks the products with quite light eye. She has not taken for a long time bags from same series, mostly separate products. She purchases everything, not just leather.

The second respondent told that they buy more other business gifts than leather. The packaging is as good quality as the product and it is personal. That is the best benefit of the case company. The leather products are very good. A lipstick cover gives more value. It is good that products are divided into different categories by their style. The continuity of business gifts is important when you have to decide a present for 2000 employee. The product lines are good to have because they give the continuity needed; there is a series to continue.

A third respondent thought that case company's leather products are fine piece of handicraft and that differentiates it from other companies. As a personnel gift the leather products are a good decision. Their own products have "the some-

thing". The respondent had many products from case company that she has bought or received. She had them on a daily use. Of course series are easier to choose. Black leather is the best choice, always in fashion. For the company it would be better, if the gift product has continuity and products are so good you can give the same series further.

The third respondent told when showing case company's products: "This pocket bottle is for taking a drink from pocket. You can take it with you. When it is covered in light brown, reindeer-look-alike skin, you could take it with you on a hiking tour. It is much nicer to give a warm-feeling leather-covered bottle in a cold forest. The mirror of the lipstick cover is wonderful. It must be one of the funniest products that the case company sales person has sent. I personally use the lap top bag, because it is stylish and a lap top suits well in."

#### 7.5.1. Packaging

The first respondent chooses ready-made packages and product combinations. There is a huge meaning with the packaging. It is so much different if you give the gift in a plastic bag or in a leather box. The feeling is completely different. Too many products are packed in a plastic bag, naturally, it is fine for give aways, but you should never give a gift wrapped in a plastic bag. It gives a lousy picture of your company, if an expensive product has been packed poorly. Sure clothes can be in plastic bags for hygiene reason. Packaging is a good idea. It helps your life when you have ready-made and funny sets. If you just give only a shampoo bottle it is much more different and better when you give towel with it.

#### 7.5.2. Differentiating from the Competitors

Products are brand products. The sales person is sought gifts that have not been found in lists. The sales person has picked up good, wide enough, visually fine products with good price per quality. Though a gift would be cheaper it still differentiates from competitors'. The sales person chooses the best combination. Selling days have a huge meaning. It is nice to go and see many new products

at once. Though first research is done in internet, it is important to see and feel the product in live.

The third respondent had been very pleased on how the case company operates. Especially ad hoc –needs had been satisfied very well. Every company has Sagaform and same sort of golf products. Case company's leather products are the ones that make it different from competitors. It is nice to see the products in live situation. But in ad hoc –situations the internet and the folder are the channels where information is been found. Personal sales behaviour is important. Not everything is suitable to work by internet. Tailoring has big meaning, if somehow a product can be personified, not just logo.



## 8. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

The main idea of this research was to figure out the cross-cultural business gift decision-making process from the need to giving occasion. The following tells the main findings of this study and the theoretical conclusions.

### 8.1. Discussion on Empirical Part

Every three respondent made the business gift decisions alone or with their executives. In many cases the need came from a manager who gave some ideas what he or she wanted to give. Still, in most of the cases, the respondents chose and decided the given products alone, with the help and ideas of the case company sales person. All the respondents thought it would be a good idea, if the companies, they were working, had a gift budget. It would be a good tool to control how much money can be used. The price of the gift varied between 13 to 30 euros. More expensive gifts were given in more special occasions, like birthdays. The gifts were given in-house in "normal occasions", like Christmas present, a thank you gift, on birthday, or on a retirement day. A birthday gift is chosen individually for every person by noticing their hobbies and interests, and asking them what they would like to have. Outward, gifts were given to keep up good business relationship. One respondent's company operates in trade shows and the new contacts are met there. For them is given real business gifts, not give away –products.

The corporation sets up regulations and limits. The certain colours and logo can be used. Also taxation regulations have to be considered. The corporation has a net shop where the respondents order the basic business gifts and give aways. The products are the same for everyone and have the logo of the company. One part of their business gift operations is to keep up business gift storage for their company's executives. The storage has to be there because situations can change quickly and business gifts have to be available as soon as possible. The case company sales person has given them hints on what is new and what

could be purchased there. Also the selling days are a big benefit for adding the storage products.

Every respondent thought that a gift should be useful. No kitsch was approved. The gift should express with its quality, the level and the quality of the giver company. A gift could be too something that can be used once and then thrown away. All the three thought that the best gift is something that is in daily use. When the receiver uses the product he or she remembers the giver company in a good light. A gift should be neutral and suitable for both genders and in different cultures.

When somebody comes and has a need for a business gift, first the gift is been sought in the storage. If the products do not satisfy or are not suitable for the occasion, the executive and the respondent start to think good choices. After that, if the respondents are using case company's services, they look for information in Internet or in catalogues. Then they call to the sales person who takes care of their needs and gives them examples and ideas on what the gift could be. Sometimes, if the respondents have a certain need and they know what they want, they are expecting the case company sales person to find the suitable product. The purpose and the giving occasion are also carefully thought. Most of the storage gifts are bought in purchasing days. The respondents' own opinion, style and interests affect. If someone else suggests something they dislike, it is very difficult to purchase the product. Still some storage gifts are not what the respondent's like. They are bought for company needs. In the other case, the gift is bought when a case company sales person calls and suggests something new product. The case company wanted to know if the purchasing process is difficult. They had had a certain picture for that. Still the respondents thought that it is nice and easy to buy business gifts. Only the situation is limited and if someone else sets up the limits, it makes the situation more difficult. One difficulty is the amount of good choices. One thing that makes harm is that only little or no response is given. Also the receiver does not give any comments, especially for the gift decision maker, the respondent.

When buying a gift, respondents are first the representatives of the company and one of the respondents' answers was that making business gift decision is only business and part of the company's purchasing process. Business gifts are meant for supporting the company and its image. Still looking deeper, the re-

spondents are individual buyers whose own opinion and mind affect a lot. Secondly, the respondents think what the gift means for them and what sort of feelings it brings. It is stupid to give a bad gift. A good gift is found when it feels so. For every respondent, emotional side wins the rational. All of the three respondents thought that logo should not be marked with too big a font or not on too clear place. Especially design products were given without a logo.

As a receiver, the respondents expected to get a gift that could be used. The best gift for them could be something that is in daily use. For example, case company's leather bags belong to this category. Impractical gifts are given to someone else, at the first hand in family or relatives. No gifts are thrown away. The respondents feel pleasure when receiving a gift. As too as giver, as a receiver they hate impractical kitsch –products. A personal selling behaviour is very important for the respondents. If it does not work, there are so many good business gift companies where to choose. The company personnel should be ready to look for the needs respondents have and ready to do their best to gain the best solution. The first contact has a huge meaning. If they feel the situation unpleasant, the company is easily changed. Forced selling and several forced selling phone calls are the worst a business gift company can do. A good company knows the giver company culture, brand, and background. That is why, long-term relationships are important.

A universal gift today is an USB-memory stick. The respondents thought also that Finnish glass is always a good and respected gift in other cultures. The aspects that affect are the manners and customs of the receiver's culture, how the gift is taken there and how developed the culture is. The easiest way to choose a suitable gift for another culture is to ask help from receiver country's executive assistant or some other instance in the country. Other way is to check from the gift etiquette book for what is suitable and what to avoid. The corporation is international, which helps the decision. In most of the cases, the company personnel, who travel and have business meetings, gives the gifts. In some cases the Christmas presents are sent from Finland and some in-house gifts are given. In most of the cases, business travellers take the gifts with them so the gifts have certain limitations. Size matters, package cannot be large or heavy or get easily broken. If there is a bigger amount to take, a courier transports the gifts beforehand to the certain place. Rarely, the business gift company exports the gifts.

The culture is the most important thing to notice when purchasing a gift into a different country. That has to be done to avoid awkward situations, if there is something that is not appropriate to give. The culture of the receiver is in the focus. The difficult cultures, in the respondents' opinion, were Asian countries, Russia, Eastern European countries, Muslim countries. The easiest countries and areas are especially Northern European countries, Germany and the rest of the Western Europe, and the United States. In Scandinavia and Germany no big notice for cultures has to be given because they are the closest countries culturally to Finland, thought the respondents. The challenges of Asians are that they are very traditional. They have a certain time when the giving happens. The package is maybe more important than the gift thought the respondents. Russians know well the gift price and they know what they want, usually expensive products.

The age of the business relationship is important. The longer the relationship has lasted, the easier you can choose the gift. The receiver may have also some needs that would not be suitable for the receiver's culture. If a Finnish visitor meets a Finnish business partner abroad and the relationship is old, no gifts are usually given. Every respondent respect Finnish products and chooses them, if possible. Fortunately, Finnish products are almost in every case a good quality, which is highly respected. Unfortunately Finnish products are quite expensive. If a brand product is better, then it is chosen. Though the respondents' corporation is international, it is nice to give something from the giver's home country. Finnish products are from Finnish culture, which the giver is taking with him or her.

The respondents buy more other products than leather from the case company. They liked the packaging of the company. That is one of the best parts of the case company. The leather packages and adding leather in the products gives the products more value. The continuity of the gifts is very important when choosing the Christmas present for the whole personnel. That is why the products are in different product lines. There is a huge meaning of the packaging for the respondents. It is so much different to give a gift in a beautiful package than a product in a plastic bag. It also helps the respondents' life, because the business gift decision-making is only a little part of their job.

The company differentiates from its competitors with its selling behaviour. All the respondents had had a good relationship with the one sales person who is ready to do her best to find the best solution. The product range is wide enough, and though the product would be cheaper it still differentiates from competitors' gifts. Purchasing events have a huge meaning. It is important to see and feel the products in a real life. Ad hoc –needs have been satisfied, which is important in changing business life. Tailoring has big meaning: there is a chance to personalize the product itself, not just putting a logo in it.

## 8.2. Analysis of the Empirical Part

Though all the respondents worked in three different companies their mother corporation is the same. That was really noticeable when comparing their answers. Some answers were the same because of the company regulations are same as in the mother corporation. Especially company regulations, logo and colours they can use, and limitations were the same. Also the birthday gift buying process was the same kind. Perhaps the similarity of the answers was because of the habits and manners of the house. Still one of the respondents had worked in the company only a year but she had experience from another company. Of course, the experience of the respondents was remarkable. They had all done the business gift decisions for many years. That gives the study more reliable answers and the respondents ideas can be seen also objective and useful for scientific research.

All the three respondents expected good quality for the business gift. Gifts were also wanted to be something different with new idea. Kitsch products were unexpected. As a receiver they expected the same sort of things from the gift, as if they were the giver. They liked very much handy products, which are in a daily use. That rule they were trying to follow as the decision maker of the business gift. To give the receiver as good gift as possible, they tried to give as handy products as possible. One point of this research and the respondents was that they were not the giver of the gift. They never saw the gift they had purchased in a real giving situation; how it was approved, what were the giver's and receiver's feelings and thoughts.

### 8.3. Summary of Main Findings and Theoretical Conclusions

#### 8.3.1. Business Gift and Purchasing Process

The researchers, like Beltramini (2000) and Mikluha (2000) have been in the same path as the respondents, when saying that the memory value the business gifts give is important. They work as a reminder for the receiver, when doing important decisions. That is why personal, carefully chosen, valuable, good quality gifts are important. In the best cases, the business gifts work as a business investment. Manfred Bruhn has written (1996:62): "The gifts serve personal function of communication and they complement other communication tools." The respondents stated on the careful business gift decision-making, especially when the receiver was from another culture. That is also Mikluha's (2000) opinion because in different cultures business gifts are understood in several different ways.

The respondents had limits with the gift price, and for some occasions, they even had a budget. Still more professional view and certain limits on the business gift decision-making were expected. To make the process more organised, it would be good to follow Manfred Bruhn's (1996) results on professional business gift giving process. In the respondents' companies there were seen the basis of the process functions but it was not fully organised. *Analysis of the business relations* was done by the executives but maybe not so systematically as Bruhn had meant. *Selection of gift recipients* was done case by case, which may be the best way for these types of companies and corporation. *The objectives* were thought carefully, especially in the minds of the decision makers, and in cooperation with their executives. *The giving occasions* were thought well because of the need for giving a gift was easily noticed. Christmas gift was the biggest and the challenging part of the decision-making. *Determination of the type of gift and gift attributes* happened within the limitations and guidelines of the company, executives, and the decision maker. Sometimes help was asked from international unit. *Selection of the specific gift* happened after the same frames as the previous stage. If the gift was chosen from the case company, the case company sales person searched and introduced options. The executives were responsible for the *giving occasions*, for how well it would succeed and what is the

result of the gift. The decision maker cannot affect on this stage. This stage could be developed the most to give the feedback, both positive and negative, for the decision maker. By that, the future decisions and occasions would be easier to handle and the business gift decision-making would come more professional and systematic.

If compared Beltramini's (2000) research, where the most valuable gift resulted better financial profits, to the answers, the respondents gave, the value and the quality are in the focus. As a receiver, the respondents respected the gifts they had received. They put themselves into giver's position and thought what he or she had meant for the gift, though it would have been impractical or weird. Putting herself into giver's position may be because of the respondents' position as the business gift decision makers. They have more experience on the process and feel empathy for the giver.

The respondents' answers told that the average price of a "normal" business gift is between 13 to 30 euros. That can be compared to Mikluha's (2000:41) chart (Table 2.), where the price was approximately the same. The giving occasions were those that Mikluha and other business gift researchers had written about. Still one of respondents' answers differentiated from others. Her company executives met the most important business contacts at fairs, where usually is given give away and sales promotion –products. The executives needed there "real" business gifts. This answer tells that the receivers are in the focus of business gift giving.

The business gift decision-making process includes both consumer and organizational buying process styles. All of the respondents said that they were buying for their company and not for themselves but still at the same time they were thinking, what would be nice. The buying process is organized but the purchase can vary very much depended on the decision maker's mood, feeling, and style. There are elements of organizational buy with the types of purchase situation: new task, modified rebuy, and straight rebuy (de Chernatony et al. 2003: 177-178). For the decision makers the "just-in-time" deliveries are very important and the quality and the success of the supply is very critical. There is no time for mistakes. For the gift company it is important to keep the existing customers. Like Hutt et al. (2004:93-94) wrote, marketer's main objectives are to develop an understanding of a customer's needs and changing requirements, to

tailor the company's offerings to those needs, and to provide customers continuity to concentrate most of the purchases with the company. The decision makers thought that the personal contacts with the case company sales person had been very good and they thanked her willingness to do all her best for the business gift decision-making. In the same line are Hutt et al. (2004): the salesperson is a "relationship manager" and the quality of the relationship is measured with two dimensions, trust and satisfaction to the salesperson.

In business gift decision-making, the most crucial Murray's needs are: need to acquire, to accomplish, and for affiliation. In Maslow's pyramid, only the three top needs have to be satisfied with the gift giving: belonging, esteem, and accomplishment needs (Dubois 2000: 28-32). Though the respondents did not say it clear, their lifestyle has a huge meaning in the decision-making process. In the cross-cultural business gift giving, the lifestyle gains a bigger role because it is country-specific and culture overrides lifestyle. The gift decisions the decision makers do, are always done in cultural context and the importance of surroundings cannot be forgotten (de Mooij 2004: 123-125). The respondents had their own tastes, which are culturally limited. That can be explained with it that aesthetic experience varies across different cultures and the things that are felt as being beautiful or ugly, attractive or unattractive, are culturally specific (de Mooij 2004: 195-196). That is why only with a long experience or help from the target culture, the decision makers can make successful business gift decisions. Of course the corporate culture has big meaning for the final decision and it limits the decision-making. Business gift decision-making process is then a mix of consumer and organizational behaviour. The process is also occasion bounded and the more experience and information the decision maker has the better the process will be.

Decision-making process is like consumer decision-making process. It still consists business-purchasing process. The emotional side is important but rational side limits exists with price, brand manual, and company image. International purchasing is more organised and more like b-to-b process because of the cultural differences. Mistakes are wanted to avoid. The buying process differs widely from normal process because post-purchasing phase does not exist, or the givers do not get any comment from the receiver's point.



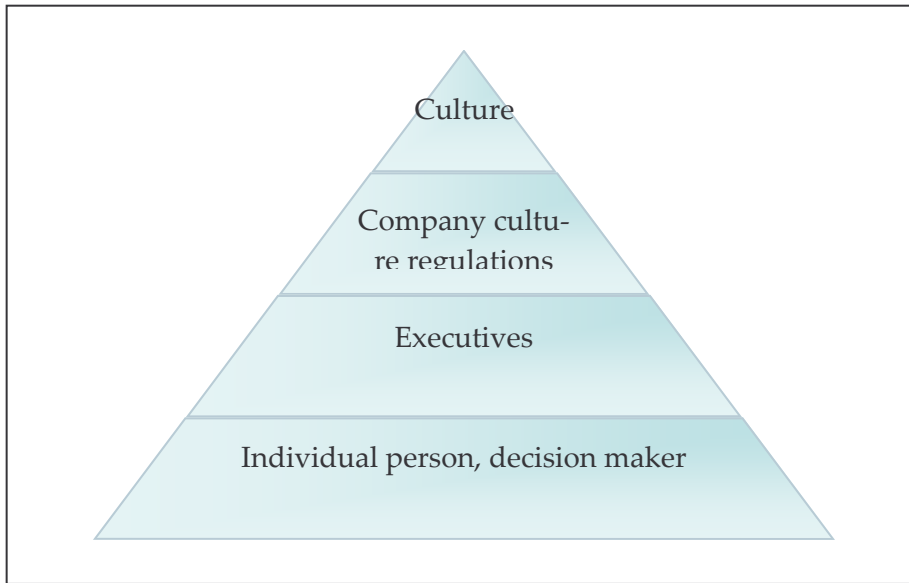
The business gift decision-making process includes for the decision maker three of the four stages:

1. The need arises
2. Information is been searched and processed
3. The choice is been formulated and implemented

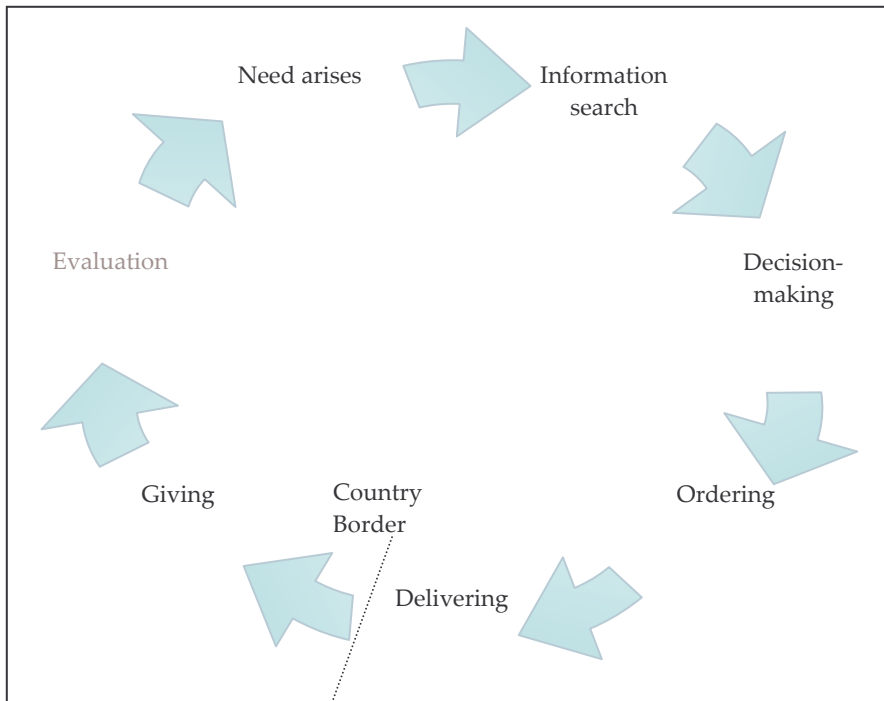
The fourth stage, post-purchase evaluation is missing in most of the cases. The decision maker does not get easily the opinions or complaints about the gift he or she has purchased. The post-purchase evaluation happens with the relationship and the later business contacts that will happen. The successfulness of the business gift giving is measured by that.

If compared to Ellson's buying determinant theory (see Figure 4. on page 25), the business gift buying determinants include the same type of elements. The basis of the pyramid in figure 12. is the individual person, who is the decision maker. There are powers and factors that affect on the decision maker's choice. The executives give the frames and limits for the business gift decision. One big limit factor is the company culture and regulations that affect on the financial side, colours, image, and other sides. On the top of the pyramid is the culture. The culture of the decision maker affects mostly on the hidden level. The decision maker does his or her decisions in the frames of the culture he or she lives. Also the receiver's culture affects, based on the information available and stereotypes.

Manfred Bruhn (2000) had studied the business gift buying process. The conclusion of this research was same in many ways but especially, when the gift is given abroad, the third last stages, the whole evaluation stage is missing or exists in very few cases. The decision makers do not get the notes of recipient's reactions or the business relations' evaluation. It would be very important for the decision maker to know, was the chosen gift successful and what should be done in the future with the same client or with some other receiver. This would be important because the gift is given to a foreign culture. This research supports the results of Bruhn's research on business professionalized gift decision-making.



**Figure 12.** Cross-cultural business gift buying determinants



**Figure 13.** Cross-cultural business gift buying process.

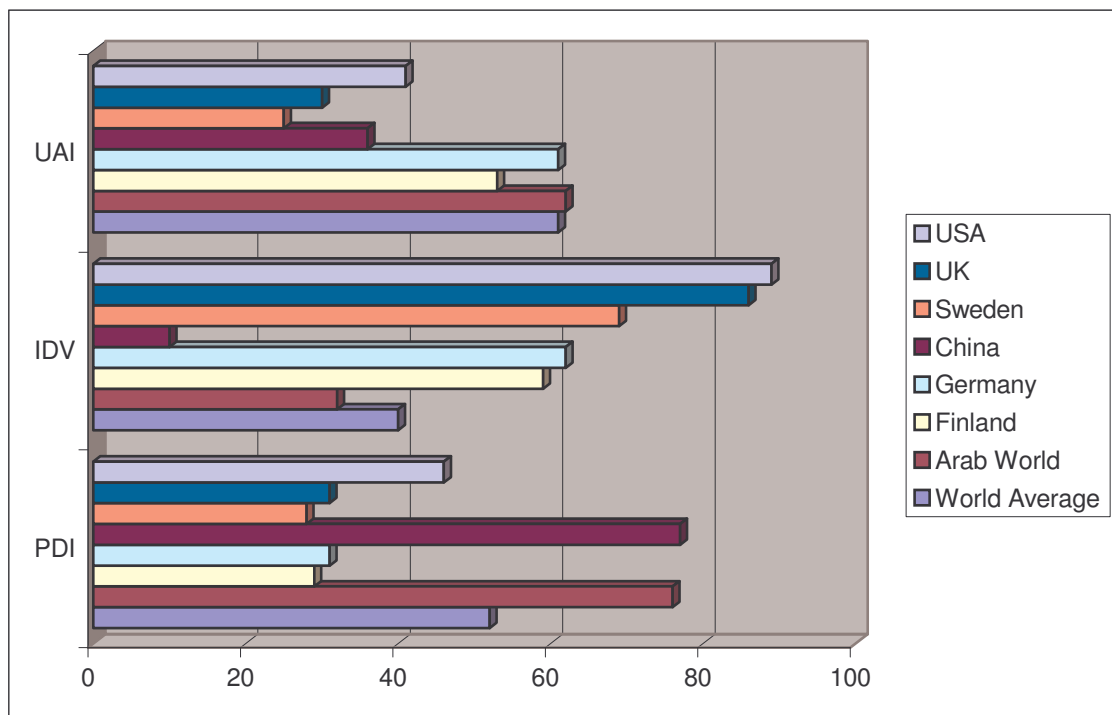
### 8.3.2. Culture

The values are important for business gifts because they are core of the culture. Hofstede (1994: 7-9) has written, how one expresses fear, joy and other feelings is also culture bounded. That is why the differences in cross-cultural business gift behaviour vary so widely in high- and low context cultures, which Arunthanes et al. (1994) had studied. The difference of values and feelings can be the basic explanation why the decision makers felt some of the cultures easy and some very difficult when choosing a gift.

The theory and empirical part shows the result that the most important Hofstede's dimensions affecting on business gift decision-making are Uncertainty avoidance, Individualism, and Power distance. Next, Finnish culture will be compared to other, specific cultures, based on the Hofstede's dimensions. The results show that cultural differences and distance has an effect on business gift decision-making for the decision makers. The bigger the gap between the giver and the receiver culture, the more difficult, time-consuming, and risky the decision-making process is.

Uncertainty avoidance index is important because giving gifts is a rule-oriented situation, and that varies a lot in different cultures. Especially the rule orientation is important for business gift area. Finns have quite high UAI index and that is why they are afraid of making a mistake with the gift. Finns are also afraid of being in uncomfortable and new situations. Individualism is important when choosing a gift. A Finnish decision maker wants to buy an individual gift in every case because of his or her cultural background. In some other culture collectivism is more appreciated and for example in Japan the management expects the same sort of gift but with different size. Also in individualistic cultures the gifts are shown for big group, whereas the Finns are pleased of getting something but they do not keep a big noise about it. Power distance index is the most important of Hofstede's dimensions. Business gifts are always about power. The one that receives a gift has power and who gives the gift wants to show his or her power. Especially in high PDI cultures this has a remarkable meaning.

These three dimensions, UAI, IDV, and PDI, with the other Hofstede dimensions, Masculinity and Long-term orientation and other hidden cultural issues affect on the cross-cultural business gift purchasing process. These dimensions explain somehow why the Finnish decision-makers felt some cultures difficult or easy, far or close. Next is told about the results of cultures and countries that were felt easy or difficult in the empirical part. The countries or cultures are compared to the home culture that is in this study Finland. Though the respondents interviewed for this study were from global corporation with global business values, their decisions and opinions were driven by the Finnish culture. In this case the culture is the software of the mind.

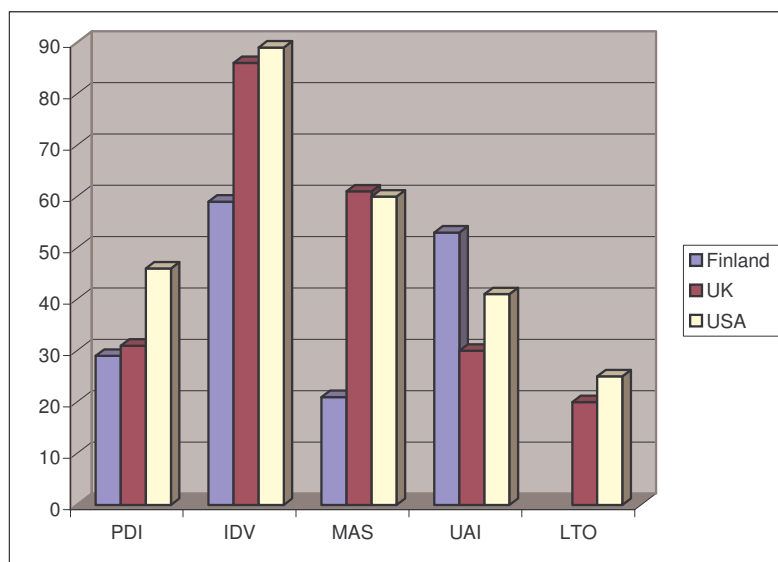


**Figure 14.** Most important dimensions affecting the business gift decision-making and giving to different cultures.

The respondent felt that the easy countries were the Nordic countries and Germany. That is explained with the similarity of values and beliefs as seen in the figure 14. Still the Swedish culture is different when comparing to UAI index. That can explain why Finns feel that Swedes are always better and more successful. That creates the stereotype, the Finns have but in general the cultures

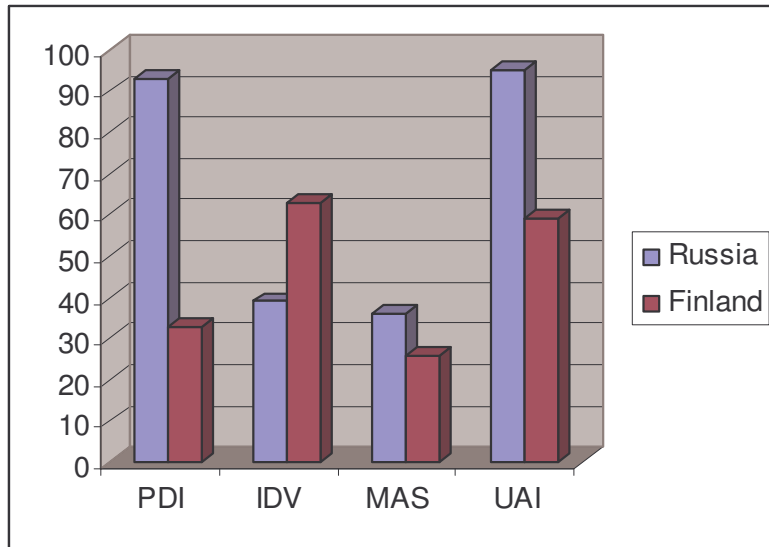
are quite close. Compared to empirical part and previous studies, it is easier to decide and give a business gift in closer culture country.

Though USA was felt as a quite easy country, there were still difficulties to decide a good gift there. The dimensions (Figure 15.) have no big gap but the gap is big enough to make the process more difficult. Especially the individualism has a big effect. It causes opportunism that Finns feel weird for them. Also the masculinity is in a higher level. The United Kingdom is quite the same Anglo-Saxon culture with its own manners. Maybe this culture is thought to be strange because of the strong class society with the conservative atmosphere in the business life.



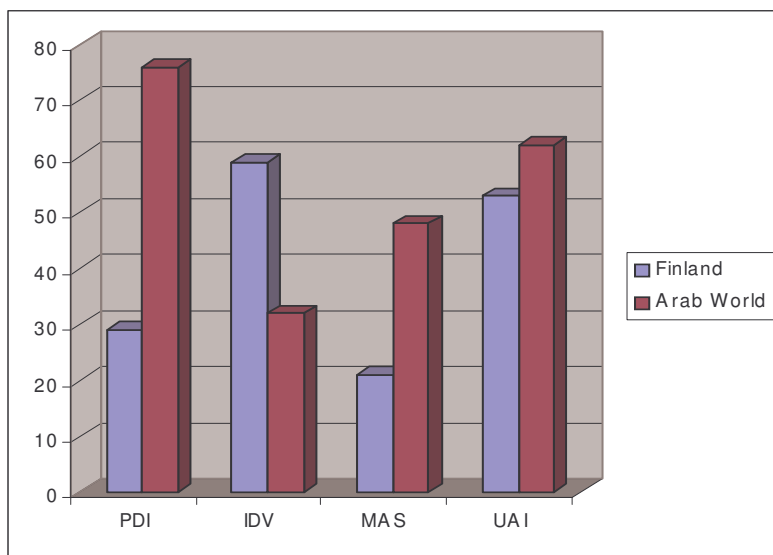
**Figure 15.** Comparing Finland to UK and USA.

The difficult cultures were thought to be Russian, Asian and Arabian cultures. The difficulties with Russians are explained with the differences in dimensions. Especially Power distance and Uncertainty avoidance are very high as seen in figure 16. The receivers know how to demand and what to respect as the respondents told.



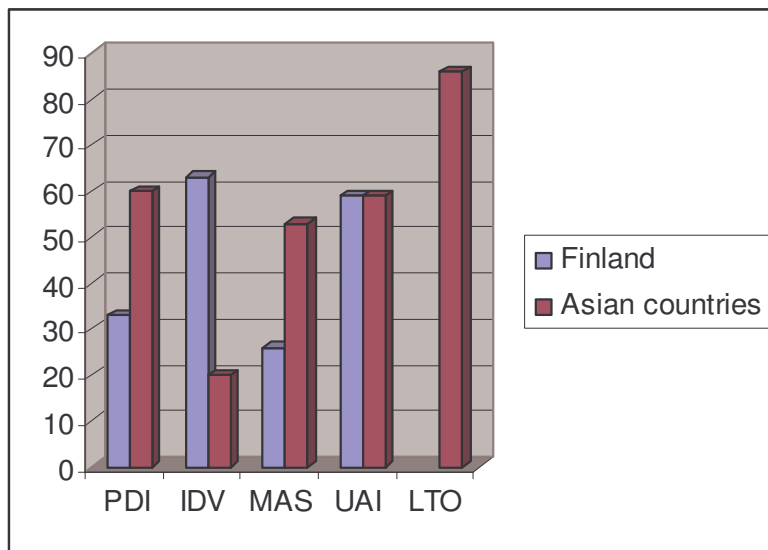
**Figure 16.** Comparing Finland and Russia

The respondents thought that one very difficult culture is the Arab world. That is explained with the gap in PDI and IDV dimensions as seen in Figure 17. Also the religion adds more difficulties in the minds of the decision makers. But the Arabian culture differences are explained better with other cultural differences, history and background, than the Hofstede's dimensions. The same is with the Russian culture.



**Figure 17.** Comparing Finland to Arabian countries

Asian cultures were problematic for all the respondents with the manners, customs, and beliefs. The respondents thought that you have to be very careful when choosing a gift to an Asian country. For example China is very collectivistic country, which causes a problem for a decision maker from individualistic culture. Also the power distance is very high (Figure 18.). Collectivism is maybe the most difficult part for the decision maker. That causes the completely different way of living so as the high long-term orientation index.



**Figure 18.** Comparing Finland to Asian countries' average

The results show that Hofstede's dimensions can explain the difficulties of the cross-cultural business gift decision-making process. Still there are other factors that explain them more. One result and implication is that the bigger the gap in dimensions, the more carefully the gift should be chosen and the receiver culture should be studied. Though the country is felt to be close to the home country there can be cultural differences that have to be noticed. Second implication for Finns is to stop worrying about the right and wrong. We worry too much about what is the acceptance of the gift and the mistakes that could happen. That is part of the culture.

### 8.3.3. Internationalization and Exporting

This research suggests and it has the same opinion with Luostarinen and Welch (1997) that exporting is still the best internationalization mode for the case company whose main customers are in Finland and the resources are limited. As the respondents told, the gift has three possible exporting channels:

1. The giver takes the gift with him or her as part of luggage
2. The courier exports the gift to the target country, if the amount or the gift is big
3. The gift company takes care of the whole exporting process.

The first and the second are examples of indirect exporting, where another company than the manufacturing company in the home market takes the product abroad. The third channel is direct exporting where the gift company takes care of exporting activities and is in direct contact with the giver or receiver company in the target country. (Luostarinen et al. 1997: 20-25)

The case company is on the point where to choose the stage of the internationalization. Their own products have been so good for international receivers that they are getting contacts abroad. The case company is working in many stages internationally with own manufacturing unit and importing of the business gifts and raw materials. The operation mode they are using in business gift markets is direct exporting. Could this be developed and what if the contacts abroad become more regular? For the giver company it is a big benefit, if the gift is ready in right time or delivered beforehand. A turnkey package would be the best solution, especially, if there are many gifts to export or the gift size is too big for the giver to take into aeroplane.

### 8.3.4. Value Adding and Differentiation

The case company differentiates from its competitors by tailoring its products suitable for each customer's needs. Also the offering of new ideas has been felt as an important factor. Those are the added values and competitive advantages, the company should notice (de Chernatony 2003: 371-372, Kotler et al. 1999: 434-



435). The respondents expected good quality for the gifts. That is not easy to distinguish (de Chernatony 2003: 371-372).

Because the human mind is simple, it is important to communicate oversimplified (Ries et al. 1986: 2). The case company has simplified its information by categorising its products into product categories on the basis of colour, leather type or using occasion. The respondents liked the idea of product categories because they make the decision easier and make possible the continuity of the business gift giving. The ready-made packages have been felt very good too. The case company's Unique Sales Proposal, thing that differentiates it from competitors, is the ability to tailor the products for customer's needs (Laakso 2003: 150).

Relationships play an important role in business gift life. Personal contacts have a big meaning when making the decisions. A gift company can differentiate itself by the good and personal service it gives. A business gift company can differentiate also by innovative, different products that support the gift company image and strategic targets. Strong image and differentiation make the customer, a busy company's decision maker, easier to choose the business gift. Ries et al. wrote (1986): "The basic thing in positioning is not to create something completely new but to manipulate and change what already exists, especially in the minds of consumers. That has to be done because present markets are so filled, even stuck with the different kind of information from a same kind of a product. The mind screens and rejects much of the information offered it. It only accepts the facts that can be linked with prior knowledge or experience, which there is not much. The only defence a normal person has, is an oversimplified mind. And to affect in such a mind, is to communicate oversimplified." That is true in business gift markets. To get the attention you have to be different from the competitors. The case company differentiates with its products and especially product lines. Customers respect their own production and the good quality of other products. The company has also differentiated with the good quality of service and long-term, personal relationships.

The product lines make the selection clearer and easier to choose though the respondents had not used them so much as the help of the sales person. The product categories are part of product positioning and a big help for both sides, the gift company and the decision maker. The gift company has also positioned

by offering tailored solutions for companies. That is a very big benefit. International gifts are easier to choose if they are already divided into categories suitable for different cultures. Positioning makes the decision process easier especially with the warehouse products.

#### 8.4. Cross-cultural Business Gift Decision-making and Giving Process

In the table 7. is told about the whole business gift decision-making process, which start from the need, and the future effect on the every participant of the process. The perceived need causes a snowball effect. First the manager who has the need asks the decision maker if he or she has a solution for the need. The basic information, the decision maker gets from manager is important. It limits the possibilities and possible mistakes when the gift is given to another culture. If there is no good solution in the storage, the decision maker contacts the business gift company. With the basic information given by the decision maker, the sales person in gift company offers the decision maker solutions. At this point, the personal relationship and the professional skills of the gift company sales person are in the focus. He or she has to know the regulations of the giver company, the basic knowledge of the culture where the gift is given and to sense the decision maker's ideas and feelings. When the offering is made and the decision maker is pleased with the gift, the delivering way is been agreed. If the giver takes the gift, the package must be thought more carefully. At the giving occasion the giver has to carefully respect the customs and regulations of the receiver's culture and company. When the gift is given, the giver monitors the receiver's opinions and behaviour. If this whole process has been successful, there should be positive effects for the every participant and company that was in this cross-cultural business gift decision-making process.

**Table 7.** Cross-cultural business gift decision-making process

<b>Participant</b>	<b>Stage</b>	<b>Future positive Effects</b>	<b>Future negative effects</b>
Management	Need arises	New orders	Lack of orders and relationship
Decision maker	Information search	Respect of the Management	Loss of trust
Business Gift company	Offering and delivering	New orders, new customers	Lack of orders, loss of old customers
Country border			
Giver (Management)	Giving occasion	New giving occasions	Harm on the career
Receiver	Receiving	Loyalty, new orders	Loss of trust, diminishing orders

The manager has to tell enough good, what he or she expects with the gift and where the gift is taken. If the gift is successful, the company will get new orders and the relationship with the receiver gets closer. If the gift or giving process has been a disaster, the worst future effects can be the loss of orders and the cold relationship with the receiver. If the decision maker has understood the need of the manager well enough and searched information carefully, a best solution is the rising respect of his or her executives and new needs from them. If the decision he or she made was wrong, the negative feedback and loss of trust from management could harm the career. Still the business gift company has the most important part in the decision-making process. By offering solutions that please the decision maker, the sales person in the gift company has to be sure that it is good also for the receiver from another culture. The offering the sales person makes, has the future effects for every participant of the process. When the decision is made, the delivering is the next very important stage. If something goes wrong, for the next time, the decision maker is easy to find a new business gift company. So, if the process has been successful, the gift company gets new orders from the decision maker and even from the receiver. If something has gone wrong, though the responsible would be the transportation company, the gift company is always responsible in the mind of the other par-

ticipants of the process. The negative effects can be the lack of orders, customers and relationship. If the receiver is been pleased with the gift and the giving occasion, the future positive effects affect every participant of the process. The relationship and the loyalty to the giver company and giver get higher and the company can order even more. If the receiver feels he or she has been insulted with the gift, the negative effects in the future can harm the relationship to the giver and the giver company. The receiver's company can order less or the bad choice could harm new contracts. The cross-cultural business gift decision-making process is a very careful process where everyone has to remember the possible positive and negative effects, and how they might effect in the future.

### 8.5. Managerial Implications

The respondents were very pleased with the case company. It has worked well and done its best to find the best solution. Especially one salesperson, who has come to the firm and whom the respondents had followed from one company to other, had been extremely good. Her name was mentioned in every discussion. For the respondents, personal sales behaviour has a huge importance and for now it has been worked well. Still contacts have to be nurtured because even in Finland, there are so many business gift companies. The product lines are a good idea. Still the continuity of the products could be mentioned more often. The decision makers are busy people who rarely do the business gift purchasing as their only day job. They respect the idea to make their job easier especially when choosing the Christmas gift for the personnel. A data base in the business gift company could be a good idea where would be told what was the latest gift and implication for the next gift. That could be a good idea too because the respondents and the earlier research have shown that a gift budget and limited company regulations with gift data base, make the decision easier and faster.

In business gift sector, personal sales behaviour has a huge meaning. If it does not work, a new gift company is chosen. In this situation, when the case company is operating with the respondents' corporation with one salesperson who has been extremely good after the respondents' opinion, there is always a risk. The risk is to lose the good employee to a competitor and by that miss good

customers. That is why it is very crucial to try to keep the good employee in the company.

After the answers the respondents thought the leather is very universal and highly valued material. The products made of it are very liked and if the design too is universal, the products can be used for years. They can be given to any culture. That is the one huge benefit the case company has. Though the respondent thought they were organizational buyers, their business gift decision-making happened after consumer style. To support that, it could be nice to make the decision situation much like consumer decision and buying situation to affect the decision makers' emotional side and their feelings. The offices in Vammala and Helsinki are comfortable and carefully planned and designed places. It is very important the customers can touch and try the products in the right atmosphere before making the purchase decision.

One big benefit the company has, it is own production. It gives the case company more value and differentiates it from its competitors. All the three respondents had been very pleased with the quality of the leather products. They also thanked the quality of other business gifts. The company should follow the path it has chosen and not to offer kitsch. The customers highly respect their product range and the new ideas they have found. Still some sort of decision should be made between leather business gifts and other products. Today, company is manufacturing leather products, selling them into department stores, it is manufacturing leather business gifts which are marketed in b-2-b way and the company is selling other producers business gifts to its business customers. Some of the business area will suffer from this, if the management is not powerful enough. Fortunately, the management and the personnel are very devoted with the organisation. A business gift giving is part of a big network. All the members of it should be aware what is going on and what has caused what. That is why it is important that the feedback is given to the decision maker and the business gift company for the future. The gift company could create a system to control the results of the business gift purchases more systematically.

This research main object, cross-cultural business gift decision-making is important for the gift company. The person in the gift company has to know the cultural background well enough not to offer "bad choices". The decision-making

process and the international aspect are important if the company wants to become more international. The good choices have had positive effects for the company: new contacts from the gift receivers abroad. One point of the company strategy is to rethink the international field. There are several international contacts in the manufacturing and purchasing section. What about the international customers?

#### 8.6. Suggestions for Future Research

This study has researched in its empirical part only the giver's view. The future research could be expanded to include also the receiver's opinion. The limitations of the time and resources were the reason, why the receivers are not interviewed. The other suggestion could be to expand the group size and by that get more reliable answers and get the business gift decision model clearer. This study has been a framework for future research. In business gift area there is a lot to research. Business gift decision-making is partly driven by organizational factors and partly by the decision maker's own personal factors, like experience, age, and style. This research gives background for both behavioural and economical research.

## REFERENCES

- Albaum, Gerald, Jesper Strandkov & Edwin Duerr (2002). *International Marketing and Export Management*. Gosport: Prentice Hall.
- Arunthanes, Wiboon, Patriya Tansuhaj & David J. Lemak (1994). Cross-Cultural Business Gift Giving. A New Conceptualization and Theoretical Framework [online]. *International Marketing Review* 11: 4. 44-55 [cited 25 Apr 2006]. Available from the World Wide Web: [www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/0360110404.html](http://www.emeraldinsight.com/Insight/ViewContentServlet?Filename=Published/EmeraldFullTextArticle/Articles/0360110404.html).
- Beltramini, Richard F. (2000). Exploring the Effectiveness of Business Gifts: Replication and Extension. [online]. *Journal of Advertising Summer 2000* [cited 25 Apr 2006]. Available from the World Wide Web: [www.findarticles.com/p/articles/mi\\_qa3694/is\\_200007/ai\\_n8894511/print](http://www.findarticles.com/p/articles/mi_qa3694/is_200007/ai_n8894511/print).
- Bruhn, Manfred (1996). Business Gifts: A Form of Non-verbal and Symbolic Communication. *European Management Journal* 14: 1. 61-68. Great Britain: Pergamon.
- Cateora, Philip R. (1993). *International Marketing*. 8. ed. Homewood: Irwin.
- Craig, Samuel & Susan Douglas (2000). *International Marketing Research*. 2. ed. England: Wiley & Sons Ltd.
- Czinkota, Michael & Ilkka Ronkainen (2004). *International Marketing*. 7. ed. USA:South-Western.
- De Chernatony, Leslie (2003). *Creating powerful brands: in consumer, service and industrial markets*. Oxford: Elsevier/Butterworth-Heinemann.
- De Mooij, Marieke (2004). *Consumer Behavior and Culture. Consequences for Global Marketing and Advertising*. USA: Sage Publications.

- DePaulo, Bella, Gregory Brittingham & Mary Kaiser (1983). Receiving competence-relevant help: Effects on reciprocity, affect, and sensitivity to the helper's nonverbally expressed needs. *Journal of Personality and Social Psychology*. 45(5), Nov 1983. 1045-1060.
- Dubois, Bernard (2000). *Understanding the Consumer. A European Perspective*. Dorchester: Prentice Hall.
- Dwyer, F. Robert & John F. Tanner, Jr. (1999). *Business Marketing Connecting Strategy, Relationships, and Learning*. USA: Irwin McGraw-Hill.
- Ellson, Tony (2004). *Culture and positioning as determinants of strategy: personality and the business organization*. Basingstoke: Palgrave MacMillan.
- Hakala, Anna (2005). *Liikelahjojen rooli markkinointiviestinnässä pohjoissavolaisissa yrityksissä*. Kuopio: Savonia-ammattikorkeakoulu, Savonia Business.
- Hansen, Kåre (1999). Trade Show Performance: A Conceptual Framework and Its Implications for Future Research. [online]. *Academy of Marketing Science Review* 1999:08 [cited 13 Apr 2006]. Available from World Wide Web: [www.amsreview.org/articles/hansen08-1999.pdf](http://www.amsreview.org/articles/hansen08-1999.pdf).
- Hirsjärvi, Sirkka, Pirkko Remes & Paula Sajavaara (2001). *Tutki ja Kirjoita*. 7. painos. Jyväskylä: Tekijät ja Kirjayhtymä Oy.
- Hirsjärvi, Sirkka, Pirkko Remes & Paula Sajavaara (2005). *Tutki ja Kirjoita*. 11. painos. Jyväskylä: Tekijät ja Kirjayhtymä Oy.
- Hite, Robert & Joseph Bellizzi (1987). Salespeople's Use of Entertainment and Gifts. *Industrial Marketing Management* 16. 279-285.
- Hofstede, Geert (1994). *Cultures and Organizations. Software of the Mind*. Glasgow: HarperCollinsBusiness.
- Hofstede, Geert. *Geert Hofstede's Homepage*. [online]. [cited 22 Apr 2007]. Available from the World Wide Web: <http://feweb.uvt.nl/center/hofstede/index.htm>.



- Itim International (2006). *Geert Hofstede Cultural Dimensions*. [online]. [cited 17 Jun 2006] Available from the World Wide Web:  
www.geert-hofstede.com.
- Hutt, Michael & Thomas Speh (2004). *Business Marketing Management*. 8. ed. USA: Thomson. South-Western.
- Kauppalehti Vip Markkinointi (2006). *Hyvä liikelahja tuo väriä arkeen*. 18.9.2006. Helsinki: Alma Media.
- Kotler, Philip, Gary Armstrong, John Saunders & Veronica Wong (1999). *Principles of marketing*. 2. European ed. Milan: Prentice Hall.
- Laakso, Hannu (2003). *Brandit kilpailuetuna: miten rakennan ja kehitän tuotemerkkiä*. Helsinki: Talentum.
- Laaksonen, Martti (2005). *Tieteellinen tutkimus markkinoinnissa*. Unpublished. University of Vaasa.
- Lasserre, Philippe (2003). *Global strategic management*. Basingstoke : Palgrave Macmillan.
- Luostarinen, Reijo & Lawrence Welch (1997). *International Business Operations*. 3. ed. Finland: Kyriiri Oy.
- Luoto, Reima T. A. (1996). *Yrityksen etikettikirja*. Jyväskylä: Gummeruksen kirjapaino Oy.
- Malhotra, Naresh K. (1996). *Marketing Research; An Applied Orientation*. 2. ed. Upper Saddle River : Prentice-Hall.
- Malhotra, Naresh K. (1999). *Marketing Research; An Applied Orientation*. 3. ed. Upper Saddle River: Prentice Hall.
- Mikluha, Arja (1997). *Lahjat ja liikelahjat eri maissa*. Tampere: Kauppakaari Oyj.

Mikluha, Arja (2000). *Lahjat ja liikelahjat eri maissa*. Jyväskylä: Kauppakaari Oyj.

Nagel, Joane, Charles C. Ragin & Patricia White (2004). Workshop on Scientific Foundations of Qualitative Research. [online]. *National Science Foundation July 11-12 2003* [cited 25 Apr 2006]. Available from World Wide Web:  
[www.nsf.gov/pubs/2004/nsf04219/nsf04219\\_1.pdf](http://www.nsf.gov/pubs/2004/nsf04219/nsf04219_1.pdf)  
[www.nsf.gov/pubs/2004/nsf04219/nsf04219\\_2.pdf](http://www.nsf.gov/pubs/2004/nsf04219/nsf04219_2.pdf)  
[www.nsf.gov/pubs/2004/nsf04219/nsf04219\\_3.pdf](http://www.nsf.gov/pubs/2004/nsf04219/nsf04219_3.pdf).

Paavola, Juho (2005). Tärkeintä on apu, vasta sitten voi miettiä imagoa. *Aamulehti* 20.12.2005. 22.

Ries, Al & Jack Trout (1986). *Positioning: The Battle for Your Mind First Edition Revised*. Singapore: McGraw-Hill International Editions.

#### Interviews

Case Company CEO. Helsinki. 21 Nov 2005.

Case Company's Customer company's executive assistant A. Helsinki. 27 Apr 2006.

Case Company's Customer company's executive assistant B. Helsinki. 27 Apr 2006.

Case Company's Customer company's executive assistant C. Helsinki. 27 Apr 2006.

## Appendix 1: Questions Used in Interview

Toimiala

Työntekijöitä

Vastaajan asema yrityksessä

Kuinka paljon yrityksessä/osastolla käytetään rahaa liikelahjoihin vuodessa

Kuinka suuri osa % markkinoinnin budjetista menee liikelahjoihin

Mitä maksaa km. yksi liikelahja

Kerro liikelahjan valinta- ja ostoprosessista, tarvetilasta aina antotilanteeseen.

Tekeekö valinnan samalla tavoin kuin kuluttajana lahjaa valitessaan, missä määrin organisaatio vaikuttaa ja organisaation valintaprosessi?

Kumpi: rationaalinen vai emotionaalinen vaikuttaa enemmän valinnassa

Kuinka hankalana pitää liikelahjan valintaa (kuinka ärsyttävää)

Miten vastaaja henkilökohtaisesti suhtautuu liikelahjoihin

-antajana

-saajana

Mitä täytyy ottaa huomioon, kun annetaan lahjoja kv:sti

Vastaanottajan ja antajan kulttuurin merkitys

In-house, asiakas vai kuka

Miten lahjat viedään yleensä ulkomaille, Mikä olisi järkevin tapa

Onko pakkauksen koolla merkitystä

Mikä vaikuttaa yrityksen valintaan

Miksi valitsitte PT:n, Miten valinta on tapahtunut

Mikä merkitys on henkilökohtaisella myyntityöllä, Mikä on suhteiden merkitys

Mikä tekee PT:stä valintanne arvoisen, Mikä on se erottava tekijä

Erottuvatko PT:n tuotteet muiden tuotteista

Onko vaikutusta valintaan, että tuotteet eri tuotelinjoissa ja huulipunan kotelo the juttu

Mitä mieltä tuotteen valmiiksi paketoinnista

Kuinka tärkeänä pidät tuotteen kotimaisuutta?

Jotain muuta asiaan liittyvää