

Reg. No. \_\_\_\_\_ Name \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**  
**SIXTH TRIMESTER MBA DEGREE EXAMINATION JUNE 2018**

**61 CROSS CULTURAL MANAGEMENT**

Max. Marks: 60

Duration: 3 Hours

**Part A**

*Answer all questions. Each question carries 2 marks*

Write short notes on:

1. Self Reference Criterion.
2. Ethnocentrism, stating an ethnocentric practice that was adopted by an MNC.
3. Cross Cultural Team.
4. Corporate Ethics quoting any two examples.
5. Corporate Culture.

(5x2 marks = 10 marks)

**Part B**

*Answer any 3 questions. Each question carries 10 marks*

6. Explain the various factors that lead to the emergence of a Borderless World
7. Critically evaluate the Opportunities and Challenges of HR Diversity.
8. Elucidate the cultural dimensions of Non Verbal Communication.
9. Elaborate on the influence of culture on Market Selection and Supply Chain Management.
10. Elaborate on the Business-Culture Interface highlighting on the risks associated with Self Reference Criterion with suitable examples.

(3x10 marks = 30 marks)

**Part C**

**Compulsory question, the question carries 20 marks**

**11. Dunkin' Brands—Dunkin' Donuts and Baskin-Robbins: Making Local Global**

Dunkin' Donuts and Baskin-Robbins eventually came under one entity in the late 1980s—an entity that sought to leverage the two brands. One of the overall strategies was to have the morning market covered by Dunkin' Donuts and the afternoon-snack market covered by Baskin-Robbins. It is a strategy that worked well in the United States and was one the company employed as it started operating and expanding in different countries. The company was initially unprepared for the wide range of local cultural preferences and habits that would culturally impact its business. In Russia, Japan, China, and most of Asia, donuts, if they were known at all, were regarded more as a sweet type of bakery treat, like an éclair or cream puff. Locals primarily purchased and consumed them at shopping malls as an “impulse purchase” afternoon-snack item and not as a breakfast food. In fact, in China, there was no equivalent word for “donut” in Mandarin, and European-style baked pastries were not common outside the Shanghai and Hong Kong markets. To further complicate Dunkin' Donuts's entry into China, which took place initially in Beijing, the company name could not even be phonetically spelled in Chinese characters that made any sense, as Baskin-Robbins had been able to do in Taiwan. After extensive discussion and research, company executives decided that the best name and translation for *Dunkin' Donuts* in China would read *Sweet Sweet Ring* in Chinese characters.

Local cultures also impacted flavors and preferences. For Baskin-Robbins, the flavor library is

controlled in the United States, but local operators in each country have been the source of new flavor suggestions. In many cases, flavors that were customized for local cultures were added a decade later to the main menus in major markets, including the United States. Mango and green tea were early custom ice cream flavors for the Asian market. In Latin America, *dulce de leche* became a favorite flavor. Today, these flavors are staples of the North American flavor menu.

When reviewing local suggestions, management conducts a market analysis to determine if the global market for the flavor is large enough to justify the investment in research and development and eventual production. In addition to the market analysis, the company always has to make sure they have access to sourcing quality flavors and fruit. A challenging balance for Dunkin' Brands is to enable local operators to customize flavors and food product offerings without diminishing the overall brand of the companies. Russians, for example, are largely unfamiliar with donuts, so Dunkin' has created several items that specifically appeal to Russian flavor preferences for scalded cream and raspberry jam. In some markets, one of the company's brands may establish a market presence first. In Russia, the overall "Dunkin' Brands already ranks as a dessert purveyor. Its Baskin-Robbins ice-cream chain boasts 143 shops there, making it the No. 2 Western restaurant brand by number of stores behind the hamburger chain McDonald's Corp. Thus the strength of the company's ice cream brand is now enabling Dunkin' Brands to promote the donut chain as well.

Questions:

1. If you were a manager for Baskin-Robbins, how would you evaluate a request from a local partner in India to add a sugar-cane-flavored ice cream to its menu? What cultural factors would you look at? (4)
2. Do you think Dunkin' Brands should let local operators make their own decisions regarding flavors for ice creams, donuts, and other items to be sold in-country? (4)
3. An MNC needs to assess the cultural differences in each market while formulating Marketing Mix Strategies. Justify your answer highlighting on the cultural differences that exists in various nations. (12)

(20 marks)

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