



**Department of Business administration and Economic**

**Towards an understanding of different customer behaviors  
a comparative study**

—Based on the perspectives of Chinese staffs of Dragon Gate in Sweden

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**Bachelor's Thesis in Business Administration**

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## **Bachelor of Business Administration**

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## Abstract

**Purpose:** Nowadays more and more people tend to do global business which implies that companies need to contact people from the other countries to understand differences in cultures. It is especially important to know different customer behavior for the marketers coming from other countries and doing business in a country with a totally different cultural context. The aim of this research is through the study of Dragon Gate case to understand how the company handles the problems of differences in language, customer behavior and marketing strategies.

**Design/methodology/approach:** This study is based on in face-to-face interviews with the staff working at a Chinese restaurant (Dragon Gate) in Sweden. Moreover, we combine the data we collect from interviews with relevant theories to further discuss the customer differences between Chinese and Swedish culture.

**Findings:** This paper concludes that culture background is one of the essential factors which could explain different customer behaviors of Chinese or Swedish cultures. Meanwhile, it addressed that language environment itself could have great influence on the firm's staffs ability to make language improvements which also have influence on customer behavior.

**Value:** Our research from Dragon Gate perspective presents a framework showing how different customer behaviors are related to differences of culture. As we have separated our study from three levels of analysis we can show the impact of cultural differences from customer behavior from the markets perspective. In this article, we make contributions to both theoretical and practical dimensions. We combine certain phenomenon that we learned from Dragon Gate with Hofstede's cultural dimensions to analyze how Swedish customers behave in purchasing situations.

**Keywords:** Customer behaviors, Culture differences, Language, Isolation, Marketing strategies, Swedish, Chinese

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# 1. INTRODUCCION

We can define global trade as the export-import trade of product and services between countries in the world. The trading between two countries has existed for a long time but nowadays this trend has developed to become a crisscrossed business trade in the world.

As we know, customer behavior is the study of the actions of how people buy or do not buy the product and services, which are related to four elements (Sandhusen, 1996): 1. Where will they buy? 2. When will they buy? 3. How (in which ways) will they buy. 4. The reason why they buy? Customer behavior is based on the customer buying behaviors which define customers into three distinct roles (Sandhusen, 1996): User, Payer and Buyer. If the marketers know the four elements well and associated to their target customers roles, and posing some suited marketing strategies in their marketing, they will probably sell more and gain more profits.

People in different countries have their own culture which exist because of geographic disparities, and causes different customer behaviors among countries. This implies that cultural issues and differences are highly influenced by the four elements we have mentioned before. The same thing experienced has different meanings depending on Asian and Western people. Culture differences influence the reasons why customers buy, or do not buy, a product or a service.

In this thesis, we discuss customer behavior from the perspective of cultural differences. A couple of examples are given to illustrate how cultural differences could affect consumer behaviors in the purchasing process.

Businesses will probably flop if they ignore taking customers concerns into consideration. For example, people prefer to eat some special food in some special days, like Chinese like to eat "moon-cake" in the Mid-Autumn Festival, which is a traditional festival in China. Furthermore, they give the moon-cake as a present to their friends when this festival comes. However, it will be perceived as strange if people eat moon-cake and present it as a gift to others when it is not in the Mid-Autumn Festival and nobody else does it. As the moon-cake producers, if they sell their products and mainly focus on the selling without respect to that the days are not in the festival, it means they have ignored two elements of the customer behaviors: When(2) and Why(4) above. They will sell less and probably lose money. Therefore, it is very important for the marketers to know the customer behavior well in their target market.

Another example is how, Swedish people buy a beverage called "must" in Christmas and Easter public holidays, but Chinese people will not buy this stuff in December and in April as they haven't got "must" to buy at the Chinese market. Furthermore,

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the ways that Asian and Western people are purchasing products differ. Asian's tends to pay cash when they purchase while Western people prefer using credit cards. Therefore, it is a challenge for the marketers to understand well the different cultures among countries when they target the product in the oversea market.

Every country has its food preference. Asians treat rice and noodles as their daily food while Europeans and Americans are used to eat potatoes and pasta every day. This is a good example presenting a big difference on customer behavior between Asians and westerners.

The differences among religions may also influence the consumer behavior. Most Chinese's believe in Buddhism while most of Westerners' believe in Christianity. The number "13" exactly express the different meaning to these two religions. Due to the pronunciation in Chinese, "13" is a lucky number. Conversely, Westerners believe that "13" would bring bad luck to them because of the story, The Last Supper, in the Holy. Hence, Westerners try to keep away from "13" when purchasing while the Chinese people are willing to see "13" when purchasing.

The clothing market is another good example to explain how customer behaviors differ. As we all known, there is a huge population in China. In order to attract and satisfy more consumers, Chinese firms need to design and manufacture a variety of clothes. Relatively, there are not many sorts of clothing offering to Western consumers. But Westerners care more about quality than product diversification. Therefore, Chinese customers prefer to turn to a clothing company who has more diversified products. In contrast, Westerners' are more likely to focus on product quality.

In general, Westerners focus on product quality when they consume. In their eyes, it is hard to make a trade-off between low price and high quality. So they relatively don't care about the price if they choose superior products. In China, it is not the case. Because China is one of the biggest manufacturing countries in the world, it can supply products by itself to the Chinese. Then it is not rare that the Chinese could buy a product with relative high quality but in lower price than in other countries.

China is Sweden's largest trade partner in Asia. Most large companies in Sweden have developed their overseas companies in China and many small companies in Sweden are finding their way into the Chinese market too. At the same time, Chinese companies are trying to do business in Sweden and Invest in Sweden Agency (ISA) which increase their support to Chinese companies to invest in Sweden. In order to provide more help for the marketers who want to do business between China and Sweden, we think it is very important to investigate this topic.

In order for Chinese companies to enter the Swedish market, there are several problems to overcome. In this paper we focus on three main problems: differences in language, differences in customer behaviors and finally, differences in marketing

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strategies.

The aim of this research is through the study of Dragon Gate case to understand how the company handles the problems of differences in language, customer behavior and marketing strategies.

Most of the staff that work at Dragon Gate are Chinese people. However, the main customer source of Dragon Gate is Swedish people and they need to handle the language problem when they communicate with the customers.

1. They need to communicate with people in the purchasing process; what are the problem and how could these problems be handled?

Since Dragon Gate acts as a foreign company entering into the Swedish market, it's very important to find out how Swedish customers behave when they purchase.

2. What behavior do Swedish customers have and what factors influence their behaviors in the purchasing?

Finally, as discussed above it is necessary to understand different strategies to enter into a new market.

3. What problems exist in Dragon Gate's marketing strategies?

From the answers of these questions we can show that the language situation in Dragon Gate and how the language environment influences the language of its staff. In addition, the thesis shows the different customer behavior based on cultural perspectives. Finally, by analyzing the current marketing strategies in Dragon Gate and we could give some suggestions to them to improve its marketing strategies.

Although we discuss customer behavior in this article, we choose the perspective of the staff in Dragon Gate rather than the perspective of customers. As a marketer in Dragon Gate, he or she is supposed to get a sense by studying customer behaviors than customers themselves. The data collected from them we saw as more valuable than from customers. Despite of that, in this case, the persons we interview are Chinese. They are supposed to feel strong about the differences of customer behaviors between Chinese and Swedish. In comparison to studying Swedish customers' experience of their own behavior, the way we choose we believe has more advantages for our research.

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## **2. THEORETICAL FRAMEWORK**

In this part, firstly we discuss the role of language in communication and the importance of language environment. Accordingly, certain theories on culture and purchasing environment are contributed to the main factors that influenced customer behaviors. After that, we present the two hats of culture in marketing.

### **2.1 Language**

Hofstede (2001, p. 21) mentions that language is both the vehicle of most of cross-cultural research as well as a part of its object. It is therefore the most clearly recognizable part of a culture and the part that has lent itself most readily to systematic study and theory building (Hofstede, 2001).

When we learn about the other culture, knowing their language is one of the preconditions to understand it. If we do not know their language, it is hard to study on them. Furthermore, it is hard to do business with them if we cannot talk to foreign people. Therefore, translation plays an important role in language when communicating with foreigners.

Judith Johnston mentions that “social factor” is one of the five important factors that affect language improvement. The social environment directly affects people’s language development (Johnston, 2005). If people who want to acquire a second language, it should be good for their language improvement that they live in the society where people are talking with the language they want to learn.

Hofstede (2001) stresses that language is not a neutral vehicle as our thinking; it is affected by the categories and the words available in our language. Differences in categories for thinking about the universe can be found in many fields and are larger for languages that are structurally further apart (Hofstede, 2001). An example has been mentioned in his book: several languages have no separate words for blue and green (Fishman, 1974).

If equivalents of a concept in another language are missing, they can still use the other word to make them understandable, although it would complete the conversation through circumlocution (Hofstede, 2001). Therefore, when people are using the foreign language to communicate with the foreigners, if they don’t know or forget some words, they can instead use the other words to replace the words they forget and make the sentences clearly.

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## **2.2 Customer Behaviour**

In this part, we discuss the interaction between culture and customer behavior in the beginning. Moreover, Hofstede's studies are used to discuss culture difference between Swedish and Chinese people.

### **2.2.1 Culture has significant impact on customer behaviors**

Meaning "all values of the perceptions, desires and behaviors acquired by a members of society from their family or important institutions", culture is reflected in a set of elements, including material culture, religion, language, system values and attitudes, customs, aesthetics, social organization, education. Only by taking into account cultural factors can "explain proper consumption models and consumer behavior in different markets.(Kotler et al., 1998).

Moreover, Luna et al (2001) argue that the elements of culture: values, symbols and rituals can influence consumer behaviors.

Values and consumer behavior: Models of the diffusion of innovation or of new product adoption (Rogers, 1983) need to be generalized to include cultural variables (Takada & Jain, 1991). For example, cultures in which following tradition is considered a terminal value may have relatively slow adoption and diffusion curves. In contrast, cultures in which innovativeness is seen as an important value will have much faster adoption cycles.

Symbols and consumer behavior: Symbol is the specific logo that distinguishes different kinds of cultures. So a remarkable symbol can let customers associate with you when see your symbol at the first sight. Therefore, symbol is one of the decisive factors to influence customer's decision making in buying.

Rituals and consumer behavior: Rituals are the religions that customers believe in. Different religion has its own tradition. This difference among religions can result in big differences of customer behavior. Such as Christian and Buddhist, they have their own holidays and ways of celebration. Of course, their purchasing behaviors are totally different.

Hofstede (1991) developed a model of five dimensions of national culture that helps to understand basic value differences.

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## 2.2.2 Hofstede's five Cultural Dimensions

This model distinguishes cultures according to five dimensions: Power distance, individualism/collectivism, masculinity/femininity, uncertainty avoidance, and long term orientation. The dimensions are measured on a scale from 0 to 100. The model is based on quantitative research and gives scores for 75 countries and regions.

Three dimensions of this theory can be used to explain customer behavior and discuss how culture influence customer behaviors.

Individualism (IDV) on the one side versus its opposite, collectivism refers to the degree to which individuals are integrated into groups. On the individualist side we find societies in which the ties between individuals are loose: everyone is expected to look after him/herself and his/her immediate family. On the collectivist side, we find societies in which people from birth and onwards are integrated into strong, cohesive in-groups, often constituted by extended families (with uncles, aunts and grandparents) which continue protecting them in exchange for unquestioning loyalty. The word 'collectivism' in this sense has no political meaning: it refers to the group, not to the state. Again, the issue addressed by this dimension is an extremely fundamental one, regarding all societies in the world. (<http://www.geert-hofstede.com/>)

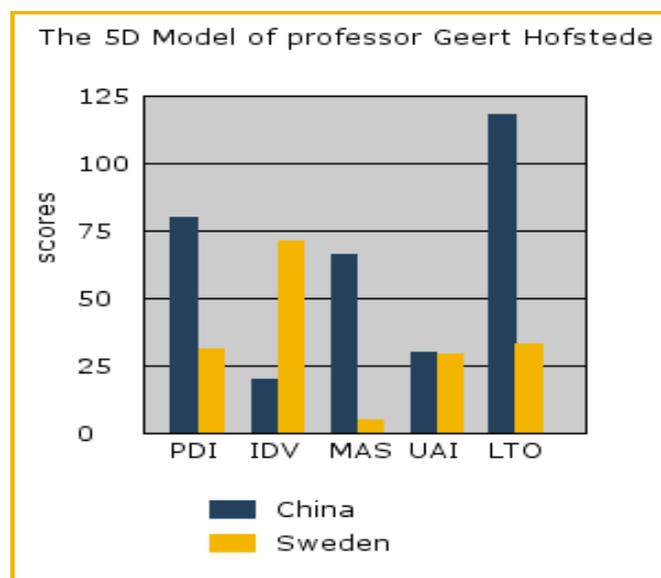
Uncertainty Avoidance Index (UAI) deals with a society's tolerance for uncertainty and ambiguity; it ultimately refers to man's search for Truth. It indicates to what extent a culture programs its members to feel either uncomfortable or comfortable in unstructured situations. Uncertainty avoiding cultures try to minimize the possibility of such situations by strict laws and rules, safety and security measures, and on the philosophical and religious level by a belief in absolute Truth. People in uncertainty avoiding countries are also more emotional, and motivated by inner nervous energy. The opposite type, uncertainty accepting cultures, are more tolerant of opinions different from what they are used to; they try to have as few rules as possible, and on the philosophical and religious level they are relativist and allow many currents to flow side by side. People within these cultures are more phlegmatic and contemplative, and not expected by their environment to express emotions. (<http://www.geert-hofstede.com/>)

Long-Term Orientation (LTO) versus short-term orientation: this fifth dimension was found in a study among students in 23 countries around the world, using a questionnaire designed by Chinese scholars. It can be said to deal with Virtue regardless of Truth. Values associated with Long Term Orientation are thrift and perseverance; values associated with Short Term Orientation are respect for tradition, fulfilling social obligations, and protecting one's 'face'. Both the positively and the negatively rated values of this dimension are found in the teachings of Confucius, the

most influential Chinese philosopher who lived around 500 B.C.; however, the dimension also applies to countries without a Confucian heritage. (<http://www.geert-hofstede.com/>)

### 2.2.3 Comparison between Swedish and Chinese based on Hofstede's theory

The figure below shows great differences between the Swedish and the Chinese



PDI	Power Distance Index
IDV	Individualism
MAS	Masculinity
UAI	Uncertainty Avoidance Index
LTO	Long-Term Orientation

**Figure 2.1 : The comparison between Swedish and Chinese with 5Ds by Hofstede**  
**Source (<http://www.geert-hofstede.com/>)**  
**Year 2003**

Hofstede's (2003) analysis for China has Long-term Orientation (LTO) the highest-ranking factor (118), which is true for all Asian cultures. This dimension indicates a society's time perspective and an attitude of persevering; that is, overcoming obstacles with time, if not with will and strength. Opposite to Chinese, Swedish intend more to Short Term Orientation. Swedish respect for tradition, fulfilling social obligations, and protect one's 'face'. That means Swedish

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perseverance to a goal or dream is not that longer than Chinese in a long term.

The Chinese rank lower than any other Asian country in the Individualism (IDV) ranking, at 20 compared to an average of 24. This may be attributed, in part, to the high level of emphasis on a Collectivist society by the Communist rule, as compared to one of Individualism. The low Individualism ranking, for instance, in China is manifest in a close and committed member 'group', be that a family, extended family, or extended relationships. Loyalty in a collectivist culture is paramount. Society fosters strong relationships where everyone takes responsibility for fellow members of their group. However, the Swedish is much higher than Chinese in the Individualism ranking. That indicates that Swedish individuality and individual rights are dominant. Individuals in Sweden tend to form relationships with larger numbers of people, but with the relationships being weak.

China's religion is officially designated as Atheist by the State, although the concepts and teachings of the ancient Chinese philosopher Confucius (500BC) are woven into the society at large. Some religious practice is acceptable in China; however, the government sets rigid limits. Sweden is very secularized. According to studies, only one in ten Swedes thinks religion is important in daily life. But the Church of Sweden — separated from the state since 2000 — is Evangelical Lutheran, and co-exists with many other beliefs. Islam is now the second largest religion after Christianity. (<http://www.geert-hofstede.com/>)

## **2.2.4 Purchasing Environment**

The elements of consumer behavior are expressed in the American Marketing Association's definition of consumer behavior as "the dynamic interaction of "affect" and "cognition", "behavior", and the "environment" by which human beings conduct the exchange aspects of their lives" (Bennett, 1995).

In these elements of consumer behavior, the environment is the external factor that influences consumer behavior and it is the factor that marketers can do some efforts in and improve it. Furthermore, environment is highly related to the culture issue that we have mentioned above and it will highly relate to our research below---Dragon Gate which is a center full of Chinese culture and doing business in Sweden. Therefore, it is very important to present some theories in order to support our analysis.

Consumers' affective and cognitive systems are active in every environment (Peter, et al, 1999) and the environment will influence consumers' affect, cognition and their overt behavior (Peter, et al, 1999).

Peter, Olson and Grunert have presented a supermarket example in their book. They

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separate environment into two aspects: the social aspects factors like how busy the supermarket is, how crowded the aisles are and how noisy it is. The other one is the physical aspect which in this case is the store layout, the width of the aisles and elsewhere in the store, the lighting, and other physical aspect of the supermarket environment factors like temperature, background music (Peter, et al, 1999).

Peter, et al, also argue that a consumer would pay attention to certain aspects of the store environment and ignore other parts. In the example of the supermarket, some products would catch the consumer's attention while others do not (Peter, et al, 1999). Therefore, in this case, how to decorate the store and arrange the products to the shelves (the whole environment) would probably influence customer's cognition and affect (Peter, et al, 1999). It would result in making the consumers' version and behavior differently.

It is a challenge for the marketers to give the customer some hints to help them finding out what he wants. The consumer interprets a large amount of information in the store environment (like there are many kinds of products in the supermarket) ---from aisle signs to brand name to price tag (Peter, et al, 1999). In this case, too many consumers who consume in the supermarket, they would evaluate some of the products in terms of meeting their needs or their families'. They would probably know what products they still have on hand and what they have run out of and need to replace (Peter, et al, 1999). If the supermarket can make the "hint sign" clearly, it can let the consumer find out what he wants easier.

## **2.3 Culture and Two Hats**

Johansson (2003) argues that culture impacts the two roles of doing marketing in foreign country in different ways. Generally speaking, when foreign entry is contemplated, the skills will involve correct interpretation of some cultural signals and a fair knowledge if local middlemen in the particular country. In the local marketing phase, the specific culture need to be understood at a much deeper level since customer requirements and consumer preferences have to be deciphered. Marketers need to make some adaptation to their marketing strategies for suiting the culture of the foreign country.

### **2.3.1 Foreign Entry**

For the marketer planning an entry into a foreign market, therefore, the analysis of its culture should center in what signs indicate a trustworthy and effective middleman or

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licensee, what are danger signals, and what behaviors suggest strengths and weakness (Johansson, 2003). It means that when a foreign company enter a new country where has different culture, in the beginning the customers in this country may feel “psychic” distance between this unfamiliar company and them. Similarly, employees in this foreign company will feel uncertain because they are lack of familiarity with foreign cultures of this country in the early expansion.

In this situation, managers or employees feel more comfortable with people similar to themselves and have more confidence when they communicate with their customers. Once managers or employees need to accumulate enough experience, they can learn how to accept and adapt to very different cultures.

Despite that, Johansson (2003) refers that when investment in foreign manufacturing is contemplated, the risk exposure generally increases, and there is a greater need for more expert input. For instance, the company should employ some external legal advisers to handle the legally problems. It is easy to break the law while doing business in a foreign country with a very different culture.

In summary, managers and employees when doing marketing in foreign country should get familiar with the culture of this country, at least have a moderate language capability. Moreover, they should recruit some legal advisers to solute the legally problems. That will decrease a lot of difficulties when the foreign company enters a new country.

### **2.3.2 Local Marketing**

The second step is to analyze the behavior of local customers and make up a marketing plan which is suitable for the local situation.

For the marketer it is no longer sufficient to develop cultural sensitivity and to learn to accept individuals who act in strange ways in this step (Johansson, 2003). Now the marketer needs to understand and predict the local behavior which are mostly determinant with culture, and then make out some specific marketing strategies according to the particular situation in this country.

Johansson (2003) indicates that Western markets tend to be analyzed in terms of individual customer behavior, treating social and cultural factors as subservient to internal psychological mechanisms for product and brand choice. Of course, in all markets the actors are individuals.

However, social and cultural factors in some way are belonged to the cognitive and affective processes. These two processes are the parts of the purchasing processes.

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Therefore, cultural and social norms are decisive to the customer behaviors, while the characteristic of particular individual customer is additional factor that marketer need to think about in making the marketing plan.

Take an easy example to explain this point. The products are not bought to satisfy individuals, but to satisfy others, such as peers and relatives. Of course, it is hard for us to distinguish which products are brought to satisfy others and satisfy buyers themselves. But what marketers can do is to predict choices and buying decisions. Therefore, individual preferences are not so important.

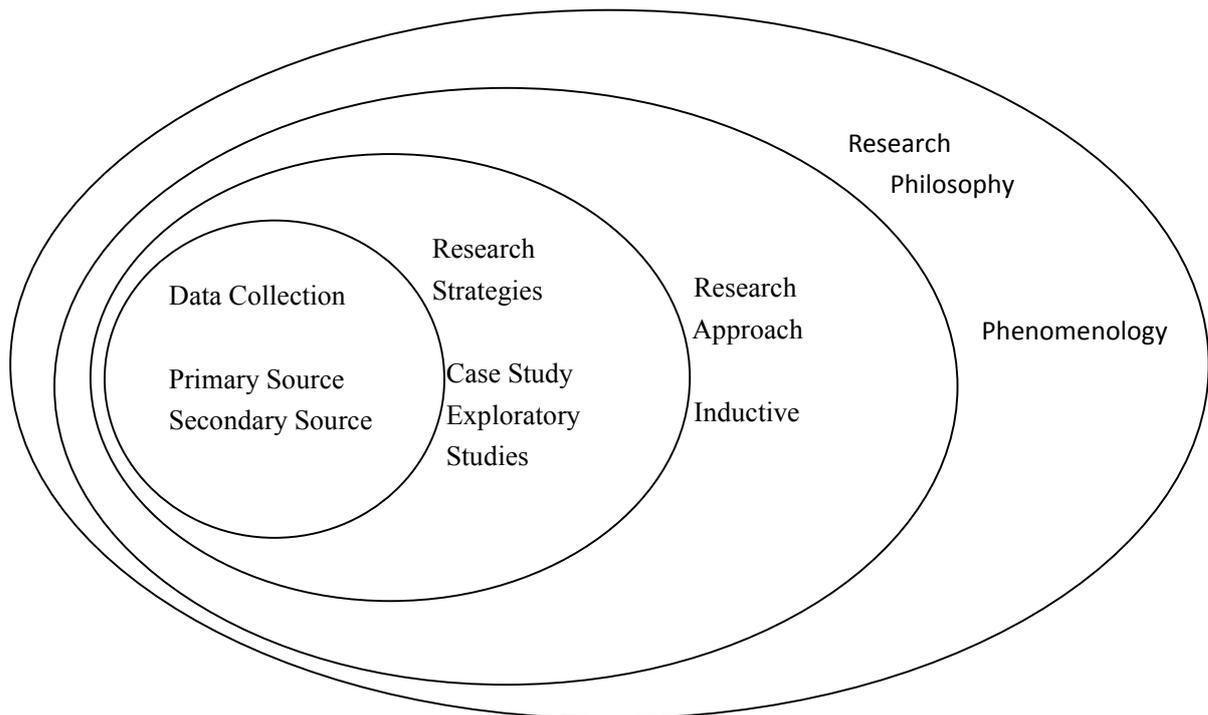
In local marketing, it is absolutely necessary to understand the local culture, the moral norms, and the social forces which impinge on the individual (Johansson, 2003). Unless this is done, the marketer cannot interpret market research correctly, because responses and words can have so many different meanings in different contexts. Here the manager needs to know what kind of response and words can resonate with the local customers and decide what marketing strategies should use to do local marketing.

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### 3. METHODOLOGY

The method we adopt to do our research is mainly base on the methodology structure which mention in Saunders’s book.

Relating to Saunders’s idea, we are going to make a “Research Process ‘onion’” to show our research logic:



**Figure 3.1: The research process ‘onion’  
Saunders, et al, 2000**

#### 3.1 Research philosophy: Phenomenology

Saunders, et al, mentioned in their book that there are two kinds of different research philosophy which is Positivism and Phenomenology. They also mentioned that using what kinds of the research philosophy depends on the way you think about the development of knowledge and the way you do research. (Saunders, et al, 2000)

Saunders, et al, argue that it is necessity to discover 'the detail of the situation to understand the reality or perhaps a reality working behind them' (Remenyi et al., 1998) when we use phenomenology to do our research (Saunders, et al, 2000).

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In our study, we have chosen Dragon Gate as a case of study. We want to understand the situation in the Dragon Gate and the situation of doing business with the Swedish people. In the whole case, we study at the phenomenon from two aspects: social phenomenon and company's internal situation.

## **3.2 Research Approach**

In this part, we discuss what approaches we choose to do the research and collect the data. After that, we also discuss how we use the data we collected to analyze and explore the research questions.

### **3.2.1 Inductive Approach**

The purpose of our research is to understand better customer behavior differences between Swedish and Chinese people and think about how a company (hosted by the Chinese people) adapts to the foreign customers who have the different culture with them. Consequently, inductive approach is a good choice for us in this research.

Saunders, et al (2000) epitomize that inductive approach emphasizes

- ◆ gaining an understanding of the meanings humans attach to events
- ◆ a close understanding of the research context
- ◆ the collection of qualitative data
- ◆ a more flexible structure to permit changes of research emphasis as the research progresses
- ◆ a realization that the research is part of the research process

In accordance with the inductive approach, firstly we collected some qualitative data. Thus, we conducted a close case research directed to a company, as we chose Dragon Gate, with the intention of understanding how its customers behave in the purchasing process. This is the main empirical data in this research. Following the empirical data we collected, we get a better understanding or the customer behavior differences between Swedish and Chinese people. Then based on the understanding of Dragon Gate, we are able to consider what a foreign company should do for adapting to a different cultural country.

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### **3.2.2 Qualitative Data Collection**

Qualitative data have been described as an ‘attractive nuisance’ (Miles, 1979). Words, which are by far the most common form of qualitative data, are a special of humans and their organizations. Narratives, accounts and other collections of words are variously described as ‘rich’, ‘full’ and ‘real’, and contrast the thin abstractions of number (Robson, 2002). Their collection is often straightforward. They have a quality of ‘undeniability’ (Smith, 1975) which lends verisimilitude to reports.

In our research, all of the data are composed of words. The interviewees’ words and the narratives we write down the direct data that reflects the real situation in Dragon Gate. Undoubtedly, we choose the approach of qualitative data collection.

### **3.3 Research Strategies**

We use two strategies: case study and explorative studies in this research.

#### **3.3.1 Case Study**

Case study is used in our research for gaining a rich understanding of the context of the research. We select Dragon Gate as a specific case in this research. Since Dragon Gate acts as a Chinese company entering into the Swedish market, there will be some problems of adaptability following with the difference between Swedish and Chinese customers. As Chinese students, we need to put ourselves in a situation in which we try to understand the Chinese culture from the perspective of the Swedish culture.

Robson (2002) declares that case study is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence.

Robson (2002) concluded that the important points to consider are that case study is:

- ◆ a strategy, i.e. a stance or approach, rather than a method, such as observation or interview;
- ◆ concerned with research, taken in a broader sense and including, for example, evaluation;
- ◆ empirical in the sense of relying on the collection of evidence about what is going

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on;

- ◆ about the particular: a study of that specific case which will concern us greatly;
- ◆ focused on a phenomenon in context, typically in situations where the boundary between the phenomenon and its context is not clear; and
- ◆ undertaken by using multiple methods of evidence or data collection.

In accordance with the strategy of choosing a case study approach, we follow the recommendations and do as below:

- ◆ Organize interviews with the staff at Dragon Gate.
- ◆ Collect the interviewees' evaluations about our topic.
- ◆ What we learned and experienced in Dragon Gate are collected as a part of empirical study.
- ◆ Select Dragon Gate as a specific case in this research.
- ◆ Focus on what level of adaptability of Dragon Gate and its performance in the Swedish market.
- ◆ Not only collecting data from interviews, but also from our first-hand experience, as observes and Internet resources.

### **3.3.2 Exploratory Studies**

Related to our purpose of our study, we are trying to figure out the different customers behavior between Chinese and Swedish people. Therefore, we choose the exploratory research strategy which is a very useful approach when we want to clarify the understanding of the problems (Saunders, et al, 2000).

Through our study we show the differences between cultures by the use of many variables. Therefore, we have collected data from different aspects. However, much of the collected data are useless to us. But we continued to collect data to enquiry from each aspect because it gave us new insights continuing assessing phenomena from the informant (Robson, 1993).

Although the exploratory studies more depend on luck (V Naipaul, 1989) and it might show that the research is not worth pursuing (Saunders, et al, 2000), we still have adopted it because our interests was broad and scatters (V Naipaul, 1989) and in the same time, we had a clear direction of our study (Adams & Schvaneveldt, 1991).

### **3.4 Data Collection**

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In our research, we use two ways to collect our data, which are data collected from primary and the secondary sources.

### **3.4.1 Primary Data**

Making an interview with Dragon Gate is the most important way to collect our empirical data. In detail, we have taken a face-to-face interview with a manager and an employee who are working in the restaurant of Dragon Gate. The form of the meeting was group interview and it lasted about 1 hour.

The manager's name was Kenny Li, and he already had 9 years of working experience in Sweden and has worked in Dragon Gate for 1 year. Kenny can speak English and Swedish well. His daily work is confirming the running of the restaurant and attending some meetings related to company development. The other one attending the group interview is a staff calls Hao Wang. He came to Sweden not for a long time ago and has only 2 year working experience at Dragon Gate. Hao cannot speak any Swedish language and English. He is qualified to perform his special skills (face changing) in Dragon Gate.

We had the meeting in Dragon Gate's restaurant because it was more convenient for them. When they finish their work they could join the meeting immediately. However, it is hard for us to get to Dragon Gate. There is no bus station near Dragon Gate so we had to take the train to a small village called Marma first, and then walk 40 minutes along the high-way to get there.

The observation is that we observed some basic situations in Dragon Gate like its fitment, the performance of the employees, and the Swedish people's purchasing behavior. Using these data enabled us to complete the data we collected from the interviews. It is very interesting to compare these data collected in the different ways. It showed things have from different perspectives while making our discussion more interesting to analyze.

### **3.4.2 Secondary Data**

We also collect the data from the secondary source, which is the company text that we found from the Internet.

The company text is about the presentation of the company which is Dragon Gate's official statements.

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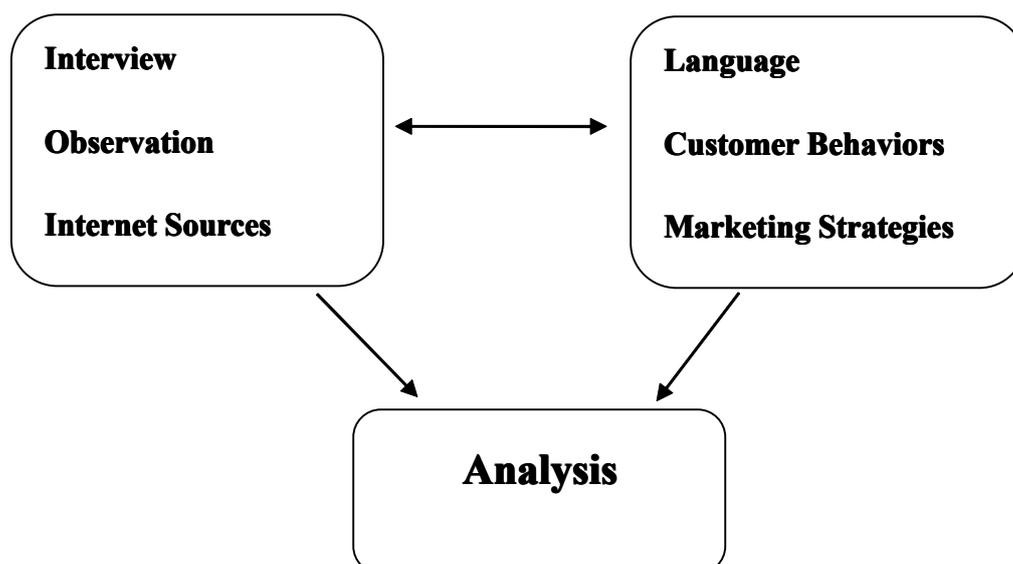
### 3.5 Criticism of Sources (Reliability)

Robson (1993) asserts that there may be four threats to reliability of data, mentioned as subject error, subject bias, observer error and observer error.

A subject error exists when there is relatively few staff we interview in this research because of limits of man power. Also, subject bias is unavoidable. The staff in Dragon Gate may reply to our questions in accordance with what their boss wants them to say. Moreover, there may be observer error. The research problems we discuss may be difficult for the interviewees to understand. Thus, we need to explain some terms to them and let them understand what we want to do by our research. In this process, certain misunderstanding will happen during the interpretation by us. Furthermore, the staff we interviewed are Chinese people. In order to ensure the fluency of the interview, we use Chinese to communicate. Consequently, it will be certain bias that occurred in our data collection after we translate their replies from Chinese to English.

### 3.6 Case Study Data Analysis

Robson (2002) emphasizes that a case study could be approached as an exercise in the generation of grounded theory; or it could be thoroughly ethnographic, with the major concern being to gain an understanding of the culture of whatever constitutes the case. Following this way, in the analysis, we use the data in empirical study, the theories we present and also the Swedish and Chinese cultural contexts to analyze the phenomenon and to explore the research problems.



**Figure 3.2 Data analysis**

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## 4. EMPIRICAL STUDY

In this part, firstly, we give a short presentation of the company, Dragon Gate, which we have interviewed. This presentation is according to the sources from the Internet. Secondly, we write a real description about Dragon Gate. This description is about what we saw and learned from Dragon Gate on the date of interview. Thirdly, we write about what we discussed in our interview with a manager and an employee in Dragon Gate's restaurant.

### 4.1 Presentation of Dragon Gate

The Chinese businessman Jingchun Li bought land and began to build a Dragon Gate hotel because he discovered a rundown road tavern in Älvkarleby north of Stockholm which had good energy in 2004. Dragon gate, this name means happiness and wealth according to Chinese tradition.

Mr. Li has invested 15 billion euro in the project in order to develop Dragon Gate to be a center for Swedish-Chinese financial relations. The center includes a restaurant, a 300 square meters kung fu school, 200 terra cotta warriors, a hotel with 56 rooms individually designed inspired by the 56 provinces in China and much more. (<http://povblog.wordpress.com/tag/sweden/>)

All the building material, machines, workers, masseurs and other resources have been shipped from China. Therefore, in the process of building, Dragon Gate met a lot of problems since Sweden is a strictly regulated country. One example is that in China, doors open inwards to welcome people, but in Sweden they should open outwards, in case of a fire. In order to let the Swedish people to know more about Chinese culture, Mr. Li imported live pandas and built the largest Buddha in the world.

From the beginning of the project, Dragon Gate always gets trouble in the legal problems. Dragon Gate ever subjected to harsh criticism for poor working conditions. Hence, Dragon Gate was sentenced to the construction company, Latep Ltd, which gave them 1.1 million penalties for violations OSH Act. Besides, there were so many problems in 2006 which were caused by the fact that Dragon Gate used the wrong paper construction. During the spring of 2008 attention was drawn to parts of the plant that had been built without planning permission. (<http://povblog.wordpress.com/tag/sweden/>)

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## 4.2 Our insight of Dragon Gate

Dragon Gate is located near the highway and it is hard to get there if you don't drive your own car. There is no bus station near Dragon Gate now. The closest village near to Dragon Gate is a small village called Marma.

Dragon Gate has a big square and there is a big Kwan-yin statue in the square. Dragon Gate is mainly composed of two restaurants and one hotel, and there is a museum and a store selling some Chinese goods. However, the hotel has not opened yet and there is just one restaurant that operates. The fitment of Dragon Gate is full of Chinese style.

The food they provide is not 100% Chinese foods. Although it looks like Chinese foods, they have changed the taste of the foods. All the employees are Chinese. In addition, there is a big "dragon boat" in the restaurant which can make the restaurant having more "Sinicism". However, as we saw, the material they use to decorate the place is not the high quality stuff and the Chinese stuffs they sell are also not high quality compared to what we are used to in China.

The restaurant hasn't got many customers the day we performed the interviews. It was in the lunch time and they only had 15% customers in the restaurant. Most of them were travelers who passed by Dragon Gate and needed to take a break for lunch.

Dragon Gate's restaurant provides their food as a buffet. There is one phenomenon that really differs if comparing Chinese people and Swedish people. Chinese consider that buffet means people can eat as much as they want, so Chinese always go and take foods many times. However, Swedish people are different. In this case, Dragon Gate's customers took their foods once, and then obviously it was enough.

When we enter into Dragon Gate's restaurant, although the fitment is full of Chinese style, it still lacks of something---it is too quiet. We observed that when the Swedish customers are eating, they don't like to talk very loudly. But Chinese are different. They would like to talk loudly when they are eating and make it lively.

Before we began with the interview, we could observe how an employee communicated with the customers. She is a front-line employee who takes order from the customers. She can basically understand what the Swedish people are talking about but her accent seems not good enough for them to understand her.

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## **4.3 Interview with Dragon Gate**

In this part, we show what we have discussed with the interviewees.

### **4.3.1 Language Issue in Dragon Gate**

Through our investigation, we know that all of the employees in Dragon Gate come from China, except the short-term cooperation employees (for instant, the tourist guide in Sweden). Therefore, language is a big problem for the employees working at Dragon Gate. Although most of the Swedish people know English well, they talk to others using the Swedish language. In our interview, Kenny Li (the manager in Dragon Gate) mentioned that he himself is graduated from the university in China and majored in foreign language. In addition, he has lived in Sweden for 9 years. Therefore, he knows the Swedish language well and he can communicate with the customers easily. However, other employees do not have such qualities. Kenny said that they have trained their employees in order to let them know and improve their own Swedish.

In the conversation, he also mentions that how important knowing language is when they are doing business with the customers. He said: “I think language is a basic quality we need to possess when we are face-to-face to the customers, we need to talk to them with the language they use. It is impossible for the Swedish customers to learn our language (Chinese). We need to accommodate them and not that they accommodate us.”

We discussed the language issue with Hao Wang, who is an employee in Dragon Gate and like everybody else, he comes from China. He told us that he can neither speak Swedish nor English. His job is doing odds and ends, like to clear the table and sweep the floor. That means he does not need to communicate with the customers. Through the conversation with Hao, we know he and the other employees live in Dragon Gate. Dragon Gate provides the dormitory and food to its employees. And because of the location (it is very inconvenient for the employees to go to the big city), they are seldom visiting a big city like Gävle, only if they need to buy some daily supplies.

### **4.3.2 Customer Behaviours**

Here illustrated below are some customer purchasing phenomenon that we know from

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the interviewees.

#### **4.3.2.1 Why They Come?**

Through the interview, we know from Kenny that the mainly customers to Dragon Gate nowadays are the travelers who pass by and the tourist party. Kenny mentioned that in this case, Swedish people's behavior is quite similar to the Chinese people. He said there are many restaurants in China located near the highway too, and the majority of customers to them are also the drivers who pass by. They feel hungry so they eat in these restaurants. In normal days, the customers in Dragon Gate are the people we mention above.

But during festivals and in summer time, more people would come to Dragon Gate and enjoy their holidays. Kenny said that they consider this as "busy season" and "off-season". It is also similar to the Chinese people's behavior; most of the people no matter Chinese or Swedish tend to go out travel if it is holidays because they have time and need to relax. In addition, Kenny explained that because Dragon Gate's hotel has not opened yet he believes that they can attract more Swedish customers when they open their hotel.

#### **4.3.2.2 Who Pay the Bill?**

The employees of Dragon Gate can observe many things about customers when they are working. These kinds of data can also help us to study the Swedish customer behavior. Hao Wang mentioned that as he sees it, the people who pay for the bill are usually the old people in the family, if it is a family consumer that stayed for a dinner. Although the children have already grown up and also have their own children, the grandpa or grandma would pay for the bill. Hao thinks it is totally different from China and Kenny also agrees. Kenny mentioned that in China, the children who have already grown up tend to pay for the bill when they eat with their parents. The Chinese think this is children's responsibility.

#### **4.3.2.3 Time-Money**

When we discussed about the main customer behavior difference between Swedish and Chinese, Kenny Li mentioned about a big divergence exist in the attitudes to time.

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On the view of consuming, he said Swedish will put more efforts to save time, but for Chinese, they will pay more attention to save money.

Then, Kenny gave us an explanation giving an example. If a supermarket has a promotion of lettuce this week, that will attract both Swedish and Chinese customers to consume in this supermarket. However, for Swedish customers, they will come to this supermarket, not only to buy promoted lettuce but also all the food or daily items they need in this week. Conversely, Chinese may only buy lettuce or other promoted items in this supermarket. Despite of that, Chinese will look for other supermarkets that offer other promoted food, to buy the rest of the food or daily items they need during the week.

We talked additionally about this topic. Kenny explains why Swedish people seem not to mind whether they can buy promoted items or not. He said that Swedish will measure how long time they spend on shopping and how much they save in this shopping. Swedish don't do as Chinese when shopping because they think they finish all shopping in one supermarket, which will save more time to do other things, such as accompanying families or working. That will be more valuable than if they spend much time on shopping promoted items in different stores.

Nevertheless, Chinese may tend to buy promoted products because in their opinions, the more money they save in shopping the more money they can arrange to do other things. That means, if they save 100 SKr every shopping occasion, they may accumulate 400 SKr in one month, and they can use this 400 SKr to buy other things, such as clothes or movie tickets. So Chinese don't mind taking a little bit more time to visit different supermarkets to finish all their shopping needs.

Hao Wang agreed to this opinion. He indicates that as a Chinese consumer in Sweden, he will go to more than one shop for purchasing promoted items. He adds, saving money is the traditional virtue in China, so Chinese may pay more attention to saving money but not time. Swedish people may emphasize saving more time from shopping to work, accompany their families or their favorites.

#### **4.3.2.4 Flavor Preference**

Knowing the Customers' flavor is very important to a restaurant. Kenny discuss that Swedish people's flavor is very different from the Chinese people's. Swedish people tend to prefer the light taste and prefer sweet taste and a little salty. It seems that they cannot accept too spicy taste. In contrary, Chinese people prefer strong taste food and like spicy food.

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### **4.3.3 Marketing Strategies**

In following parts, we will present the current marketing strategies which we learned from the employees in Dragon Gate.

#### **4.3.3.1 Promotion and Advertising**

Kenny Li said that Dragon Gate would launch some promotion to attract customers on some of the Chinese Holidays. For instance, they ever launched a promotion that if customers had consumed in the restaurant of Dragon Gate, then they could enjoy an hour Chinese Massage for free. Kenny said that this kind of promotion attracts more Swedish customers than normal days when they come to Dragon Gate for consuming.

Kenny adds that there would be some specific food on sales on Chinese holidays. Such as Mid-Autumn festival (It is date that stands for reunion. Traditionally, Chinese family members and friends will gather to admire the bright mid-autumn harvest moon, and eat moon cakes and pomelos under the moon together.), they would sell some moon cakes in Dragon Gate' s shop. He wants to let more Swedish customers experience Chinese tradition (about tradition see for instance the web site <http://www.mondestay.com/shanghai/calendar-events.html>).

Of course, we learned from Kenny that Dragon Gate will do certain newspaper advertising from time to time. That is a basic advertising strategy which Dragon Gate uses on normal days. But Kenny said that it is not an efficient way to attract Swedish customers to visit Dragon Gate. Staff in Dragon Gate will connect some tour agents in Gavle, a city near to Dragon Gate. That is a good way to let more Swedish customers know more about Dragon Gate and to consume here. Most Swedish people coming to Dragon Gate are curious of Chinese food, buildings, kung fu and Chinese culture. They believe Dragon Gate can give them a special experience which is different from western culture. Kenny concluded that Dragon gate is attractive for Swedish customers because it can offer a different and special experience to them. It' s hard to find a place that not only offers Chinese food but also other things with Chinese characteristic in Sweden.

Hao has his own opinions. He said that even though Dragon Gate offers an attractive promotion on Chinese Holidays, it has still not increased the flow of Swedish customers to come. Because of different cultures, Hao adds, Swedish holidays are on different dates compared to Chinese days. Swedish travel when they have break or holidays. But Dragon Gate always launches promotion or specific activities on Chinese own holidays. Hao said it was a pity that promotion didn' t achieve a

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successful result sometimes.

#### **4.3.3.2 Environmental Protection**

Mentioned about what difficulties Dragon Gate had to face when doing business in Sweden, Kenny said most important is to achieve the standard of environmental protection which are instituted by the Swedish government. Sweden is a country that highlights protecting environment. However, Dragon Gate was built with the material sent from China, and employed Chinese workers to build Dragon Gate in Chinese way. Sometimes, because Chinese Material and Chinese mode of construction didn't meet the requirements set by Sweden government, some plans have not been realized yet.

Kenny explained that legal limitation in Swedish environmental protection constructed a big barrier for the firm. Dragon Gate had to pay more money to overcome these barriers. For instance, they needed to import some environmental friendly material from China, and switch the mode of construction which met the requirements of Sweden Environment Protection Law. Those adaptations had cost the firm a lot of money and man power. In facing this problem, Hao also indicates that legal limitations in Sweden are relatively stricter than in China. So Dragon Gate had to put more efforts on processing the legal problems when doing business in Sweden.

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## 5. ANALYSIS

Combining the theories with the data we collected, we conduct the analysis with three levels which are language issues, customer behaviors and marketing strategies.

### 5.1 Language

As the data show in the empirical study, we can know nowadays language situation in Dragon Gate.

Combining the data we collected from interview and what we learned from Dragon Gate, we summarize the situation of language using in Dragon Gate as below:

	<b>staff to staff</b>	<b>staff to customers</b>	<b>staff to society</b>
<b>Language</b>	Chinese	Swedish	Swedish
<b>Communication extent</b>	high	medium	low

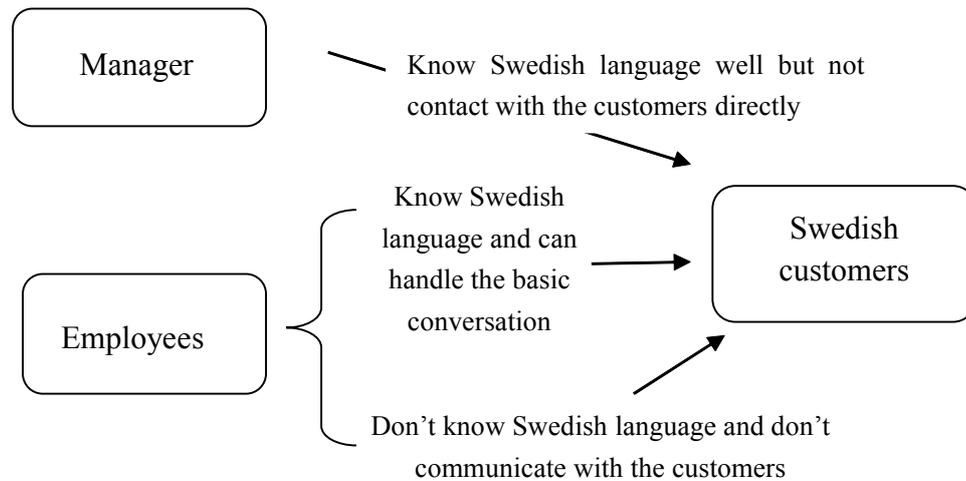
**Figure 5.1: language situation in Dragon Gate**

As Figure 5.1 shows, when the employees talk to each other, they use Chinese to communicate. That's no doubt that people would like to use the language they know well (the native language) to communicate, especially in the case that all the employees in Dragon Gate are Chinese people. In addition, employees are living together in their workplace's dormitory and they work together. The people they contact most are their colleagues. Therefore, that is the reason why they speak Chinese language most.

When they contact the Swedish customers who visit Dragon Gate, it is no doubt that they have to use Swedish language to communicate with their customers. When studying this issue (communicate with the customers), we separate three kinds of employees to analysis. The staff in the different positions, their language situation are

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different, we have build up a model as the figure show below:

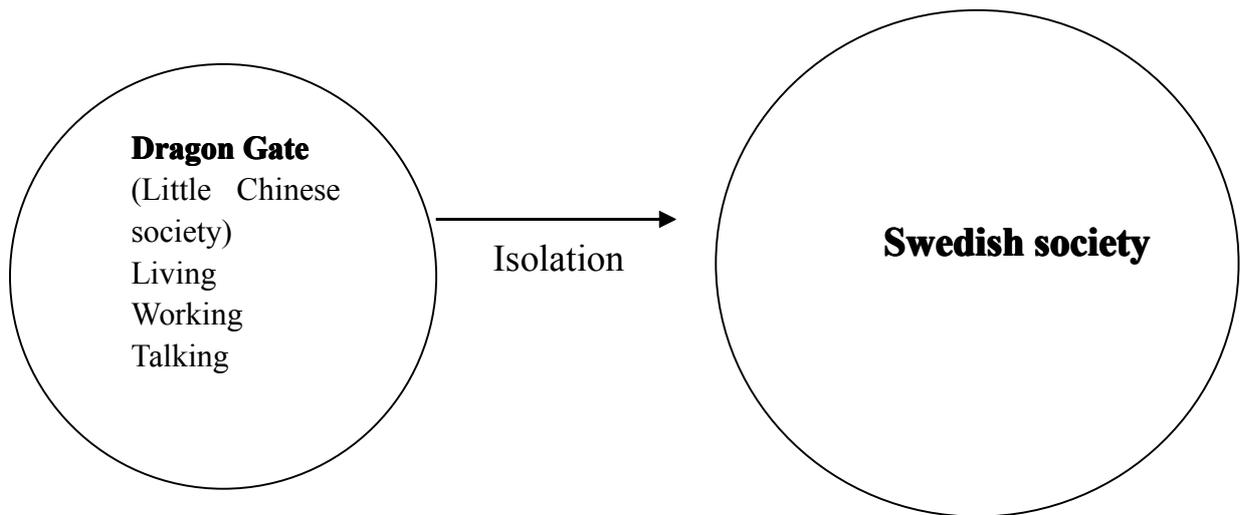


**Figure 5.2 The internal language situation of Dragon Gate**

In this case, although the manger knows Swedish well, he is not the person who has contact with the customers daily. The front-line employees need to communicate with the Swedish customers every day. Figure 5.1 shows, the employees who know Swedish language communicate with the customers directly, such as taking order from the customers. However, their Swedish language level can only handle the basic business deal. Hence, it is hard for them to discuss cultural issues deeply with the customers who have interest to know more about the Chinese culture.

The staff in Dragon Gate who are the chefs or the people with some special skill do not know the Swedish language. Actually they know Chinese culture well which relate to their own skills. Because they don't know Swedish language at all, many interesting Chinese culture information can't be delivered to the Swedish customers. In contrast, the Swedish culture could not be learned by the staff.

As Hofstede (2001) mentions, certain aspects that in different languages, some words would probably be missing. In addition, when people communicate with each other with the use of the foreign language, if some words have been forgotten, they still can complete the conversation through circumlocution. In this case, Dragon Gate's employees can use this way to communicate. We know that their front-line employees are not proficient at Swedish. It is a good way for them to deliver information to the Swedish customers before they practice well.



**Figure 5.3 Chinese people in Swedish society**

As Johnston mention, the environmental factor could affect the second language acquisition (Johnston, 2005). The problem of location and inconvenient traffic is one of the reasons why Dragon Gate’s staffs seldom come into contact with the Swedish society. However, the most important reason is the Dragon Gate’s environment, which let them think they don’t need to go outside usually. They can get everything (eating, living) in Dragon Gate. It seems that the staff’s working at Dragon Gate are forming their own vita sphere, which is isolated from Sweden. They talk to each others with Chinese and it likes forming their own “Chinese society”.

In this case, because the employees do not interact more with the local people, they can hardly recognize Swedish culture deeply and have not got a good environment to improve their Swedish language skills. What they communicate with the Swedish people are the basic business things.

## **5.2 Consumer Behaviour**

In summary, we conclude the data which relate to the differences behaviors between Chinese people and Swedish people. The variables are put together and are as the table below shows:

	<b>Chinese people</b>	<b>Swedish people</b>
<b>Consumption Period</b>	Chinese holidays	Swedish holidays
<b>Payer</b>	Grown children	Parents
<b>Time-Money</b>	Save money	Save time
<b>Flavor Preference</b>	Strong taste	Light taste

**Figure 5.4: Comparison of customer behaviors between Chinese and Swedish**

## **5.2.1 Values Influence Consumer Behaviour**

As we present before, there are three variables that have influence on customer behaviors. Firstly, it is value. Different cultural values can produce the difference within customer behaviors. Hofstede's (1991) model of five cultural dimensions can explain reasonably to why there exists values' difference between Swedish and Chinese people.

### **Individualism Dimension**

As mentioned in the theoretical part, Sweden is a high-individualism country while the individualism rank of China is low (Hofstede, 1991). That means Swedish people do not tend to extend family and relationships with society as Chinese people do. Hence, Swedish people have a weaker sense of taking responsibility for the members in their group than Chinese people. Naturally, Swedish people do not emphasis their rank and responsibility in their family and group. However, it is not the same case to Chinese people. They advocate filial piety in their society. That means that the grown children are supposed to take care of their parents and undertake their financial burden as well.

All we discussed above can precisely explain a phenomenon happened when paying bills in Dragon Gate. Hao said that old people usually are the bill payers in Dragon Gate's restaurant. Because Swedish people indicate individuality in their society, they do not sense the importance of who pays the bill. In their eyes, it is not different whoever pays the bill. They continue to act as "parents" and the youth are not

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grownups. Nevertheless, what Swedish people think on this issue is not moral for Chinese people. Once children get financial independent, they should pay the bills for their parents.

### **Uncertainty Avoidance Index**

Figure 2.1 shows that Swedish and Chinese people have almost the same rank of uncertainty avoidance and belong to low uncertainty avoidance countries(<http://www.geert-hofstede.com/>). That means both Swedish and Chinese people can tolerate opinions which differ from what they are used to. Thus, it is acceptable to keep their own beliefs which are different from others in these two countries. Meanwhile, either Swedish or Chinese people are not positive to socialize with different cultural groups.

In the part of our sight of Dragon Gate in the empirical study, we realize that there are not much communication between customers and staffs in the restaurant except for necessary conversation. Even though the Swedish customers walk around and visit the art work displayed in the restaurant, staffs are not close to them and do not introduce the Chinese displays to them. Nevertheless, Swedish customers show them interests of Chinese culture, but they do not go forward to staffs and ask them to give an introduction about Chinese culture.

This phenomenon matches what we discussed above, Swedish people and Chinese people do not exclude and socialize with each other. Dragon Gate should note this; otherwise, it is difficult to conduct a successful local marketing in Sweden.

### **Long-Term Orientation**

According to figure 2.1 and Hofstede's (1991) theory we have shown above, Swedish is a short-term Orientation country while China belongs to long-term orientation country. From this perspective, relatively, Swedish people cannot achieve their goals more persistently than Chinese in a long term. That reflects a significant difference of value between these two groups. Swedish people tend to look for a time-saving way to achieve their goals. Meanwhile, the same thing to Chinese people, they will overcome the obstacles with time until they achieve the money-saving goal.

Kenny takes a good example (see in 4.3.2.3) to describe this difference. In purchasing, Swedish customers tend to finish shopping in one place in order to save time. But Chinese customers tend to look for the places where they sell the promotion items, and finish shopping within these places. Hence, to combine theory with empirical study, Swedish tend to save time while Chinese tend to save money.

### **Symbols Influence Customer Behaviour**

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There are a couple of symbols that can stand for Dragon Gate, such as Dragon, Kwan-yin statue, Chinese building. They are really remarkable symbols that let Swedish customers associate with Dragon Gate when mentioning China.

As we show in the empirical part of our study, many Swedish customers are attracted by the characteristic things displayed in Dragon Gate. Hence, symbol is a crucial element to influence customer's decision making in purchasing.

### **Rituals Influence Customer Behaviour**

Of course, different rituals have their own rules and holidays. Most Swedish people believe in Christianity and Islam while most Chinese people are Atheist. Naturally, on their holidays, they will have their own celebrations.

As Kenny describes, no matter Swedish people or Chinese people will go travelling on their own holidays. The differences are produced by different rituals. Most customers in Sweden will come on Swedish holidays or in Summer time. However, China has different religious background from Sweden. Most special events are conducted on Chinese holidays when Swedish people are probably at work. Consequently, customer behaviors will be quite different between these two groups account for religious diversity.

## **5.3 Purchasing Environment**

As what we present in theoretical study, there are two aspects composed of purchasing environment. One is social aspect and the other is physical aspect. Here we will discuss how purchasing environment affects customer behaviors based on these two aspects.

### **5.3.1 Social Aspect**

Social aspect can be understood as a description of purchasing atmosphere in the store front. This purchasing atmosphere is created by both service supplier and its customers. Thus, as the host of store, service supplier is supposed to create a good atmosphere to let customers enjoy themselves during the buying. At the same time, service supplier should consider whether customers get used to this purchasing environment or not. (Peter, et al, 1999) All conditions above we think about can influence the customers' decisions in the buying.

We have noticed that the atmosphere in Dragon Gate's restaurant is quiet and not

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lively. However, the eating atmosphere in Chinese traditional restaurant is energetic and bustling, which we did not experience in Dragon Gate's restaurant. From our point of view, Dragon Gate could not offer a Chinese characteristic atmosphere to its customers as the customers are Swedes. Despite of that, Dragon Gate offers a quiet and comfortable atmosphere to suit Swedish customers. That is also a kind of adaptation made by Dragon Gate to suit Swedish customers.

### **5.3.2 Physical Environment**

The factors of physical environment in Dragon Gate are mainly about its fittings. In addition, the Chinese goods they sell, the things that are presented in their museum are also the part of Dragon Gate's physical environment. These factors are full of Chinese characteristics and it is information representing Chinese culture which Dragon Gate tries to deliver to the Swedish customers.

Actually, Dragon Gate uses "Chinese Culture" to attract the Swedish customers and it works. It seems that the Swedish people would love to come because they are curious about Chinese things. Relate to (Peter, et al, 1999): the physical environment can influence customers decision. In this case, these environmental issues can influence the Swedish consuming decision.

However, the material they use to comply with these fittings and the Chinese goods (souvenir) they sell are not with high quality compared to what we see in China. It would probably result in that some Swedish customers (who know Chinese culture) doesn't come to consume again, because they have seen the "better".

## **5.4 Marketing Strategies**

In this part, we will integrate the "culture and two hats" theory which was mentioned above to analyse the marketing strategies in Dragon Gate.

### **5.4.1 Foreign Entry**

We learned from the interviewees that Sweden is a country that cares about environmental protection and the government sets many roles to restrict the company's activities. As a foreign entry in Sweden, Dragon Gate has already faced to

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a problem in the beginning. The holder of Dragon Gate does not know the Swedish laws well, therefore, when they built Dragon Gate, there are many things fall short of the standards which Sweden government sets. Relate to Peter's (1999) discussion about foreign entry and the experience of Dragon Gate, it can be concluded that it is very important for the companies to know the laws well when they enter into the foreign markets.

This problem can be solved through some changes in Dragon Gate. They should employ some counselor-at-law and consult their opinions before they start a program (Peter, et al, 1999). Compared with the expense of penalty, it could save more money if you hire a counselor. In addition, it is good for the company's image. Abide by the regulations is the one of the important precondition for the company that let the citizen recognize that you are creditable.

The other challenge for Dragon Gate is that as a foreign entry, the customers they contact with are foreigners who have different culture and the different language with them. The employees who contact with the customers should have good adaption of the new environment and have good language skill so that they could adapt to and accept the customers who have very different culture with them. As Peter (1999) has mentioned, these quality can be improved through accumulate enough experience.

Therefore, it is important for Dragon Gate to teach their employees to have a good attitude to learn the Swedish things. The more they know about Swedish culture, the more they can understand their customers. This also relates to an opinion we analyzed above, that it seems that the employees in Dragon Gate form their own society which remove them from the Swedish society. It is not good for Dragon Gate's adjustment and development. Moreover, Dragon Gate should increase the criterion when they hire the employees from China. Such as need to have good language skill and need to have some working experience in Sweden.

### **5.4.2 Local Marketing**

As we analyzed before, although Swedish customers show their interests of Chinese displays in the restaurant, Dragon Gate's staffs seldom go forward and give them an introduction. This seems like not included as a part of service. But if Dragon Gate's staff can say something about the Chinese culture in talking with their Swedish customers after eating, it may give Swedish customers a better impression on Dragon Gate, which could influence their consumption decision potentially. Therefore, Dragon Gate's staffs should notice that and properly talk to Swedish customers if they show interest to know more about the Chinese culture.

We also saw the result in the above analysis that Swedish customers like to finish

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purchasing in one place. They expect to get as much fun as possible in the consuming. Thus, Dragon Gate should increase the service variety to attract Swedish customers to come. On the basis of recent service, accommodation and massage, Dragon Gate could increase some amusement additionally. For instance, some Chinese traditional amusement could be added as a kind of service. Flying kite, riding horse and Chinese archery are popular traditional amusement in China. Customers can get more fun when they stop by Dragon Gate, accordingly come and consume in Dragon Gate again.

Due to ritual differences (Luna et al 2001) between Swedish and Chinese people, the occasions for festivals differ most. When Dragon Gate hold a party to celebrate for festival, Swedish people may be at work and could not attend instead. So in order to solve this problem, we suggest Dragon Gate can hold a function every year when Swedish people take holidays. The theme of the function could be one of the festivals in China, and Dragon Gate can change the theme every year. For instance, the theme of function this year is Mid-Autumn Festival; there could be some related celebration hold in Dragon Gate. It could be one of selling points of Dragon Gate to attract Swedish customers.

There are two aspects that Dragon Gate has achieved well already. They select so remarkable symbols that customers are easily associated with Dragon Gate. Besides, Dragon Gate creates a suitable eating atmosphere to Swedish people in the restaurant; this is a successful adaptation in local marketing.

## 6. CONCLUSION

In this part, we answer the research question in our study and state the contribution we have achieved. In addition, some suggestions were given for the further research.

		Dimensions		
Level 1	Language	Staff to Staff	Staffs to Customer	Staffs to Swedish Society
Level 2	Customer behaviors	Values	Symbols	Rituals
	Purchasing Environment	Social Aspect		Physical Aspect
Level 3	Marketing Strategies	Foreign Entry		Local Marketing

**Figure 6.1 Research structure and dimensions**

As figure 6.1 shows, our research contains three levels of analysis. The issues in level 1 are related to the research question and relates to how the situation of Dragon Gate's employees communicate with the customers. Through the research, we have found that the Dragon Gate's employees are not good at Swedish. The language problem obstructs the benefits of communication. The main reason to obstruct their language improvement is that it seems like Dragon Gate has formed its own Chinese society which isolate them from the Swedish society.

The researches we do in level 2 relates to the question of finding out what behavior Swedish customers have and what factors influence their behavior. As figure 5.4 shows, there are some differences between Chinese and Swedish people's purchasing behavior. Values, Symbols and Rituals which relate to the culture difference are the factors that cause the different customer behaviors. In addition, purchasing environment is also a considerable factor that influences customer purchasing decision.

The third and last level is to study the problems that concern Dragon Gate's marketing strategies. As a foreign entry, Dragon Gate are not have well equipped with human power, as they has lack of legal professions. Legal professions could clear the battier blocked in the development of Dragon Gate in Sweden. In addition, their strategies do not adapt to the market in Sweden. Dragon Gate's marketers should consider Swedish local customs when they formulate marketing strategies.

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In this article, we make contributions to both theoretical and practical dimensions. We have used Hofstede's cultural dimensions to understand Swedish customer behaviors. In the analysis, we combine certain phenomenon that we learned from Dragon Gate with Hofstede's cultural dimensions to analyze how Swedish customers behave in their purchasing. This gave us the contribution to the theoretical dimension. As to our practical contribution, we believe we are able to help Dragon Gate to find out some problems that occurred in its management and marketing after a close-up study. Moreover, we also are able to sum up the reasons to the problems in Dragon Gate as mentioned in our analysis. Furthermore, we give a couple of valid suggestions to Dragon Gate about how to improve its management and overcome the difficulties when conducting local marketing in Sweden.

As a Chinese people, we hope that Chinese culture can be known by the world. As Dragon Gate does, they try to deliver Chinese culture to the Swedish people. However, something should be changed in their customer behavior strategy because the marketer needs to adapt to the local market which relate to the environment issues and customer behaviour issues. Therefore, it is a challenge for us (the researchers) and the marketers to find the balance between "maintain" and "adapt". In this case, Dragon Gate has a good business idea that using the Chinese culture to attract the Swedish customers, however, it is not achieve well in their performance as the shortage we mentioned in this article. On the other hand, if they adapt the Swedish culture too much, it could probably be on behalf of removing the Chinese culture which is not the business purpose.

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## **7. FURTHER STUDY AND SUGGESTION**

As we mention above, we have used Hofstede's five cultural dimensions to do this research. Hofstede's five cultural dimensions are commonly used to perform studies of cultural differences between countries. In our research, we have studied general Swedish customer behaviors by paying attention to one Chinese company entering into the Swedish market. However, it would be more interesting to investigate cultural differences by separating the study into different geographical area in one country. For example, we suggest that research could be done studying cultural differences between Northern Sweden and Southern Sweden to understand cultural differences within a country.

The main purpose of this research is to research how the company handles cultural problems in establishing business in a foreign country. Therefore, we stand on the perspective of marketer and employees who have decided to work in a foreign country. The data, in our case, are mainly collected from the perspective of employees working at Dragon Gate, but less from the Swedish customers' perspectives. However, we suggest research of customer's attitudes and opinions as their attitudes are also important in customer behavior relationships. We can consider to do the cultural differences research from customers' perspectives in the next study.

As we concluded, Dragon Gate has a good business idea but not achieved well in their performance. They try to use Chinese culture to attract Swedish customers, however, Chinese culture is great and profound therefore it is not easy for the company, Dragon Gate, to express successfully how to do this in the best possible way. We suggest that Dragon Gate can cooperate with other Chinese company here in Sweden, especially with other Chinese restaurants. For instance, engage in project building a "China Town" in collaboration with them in Sweden.

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