

## **Sales Culture in Finland**

Multicultural employees as a part of Finnish Sales Culture

Laura Faitrouni



<b>Author(s)</b> Laura Faitrouni	
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<p>The main objective of this study is to research the Sales Culture in Finland, and how it has evolved over the past two decades. The teaching methods of Sales in Finland were observed and researched. The question; can Finland benefit from hiring multicultural professionals?</p> <p>The connection between Finnish culture and its sales methods was discussed as well. As part of the research, interviews with individuals from different cultural groups with sales experience in Finland's business markets were conducted.</p> <p>The study includes theory that is divided in three main parts – Facts, Teaching methods of Sales Culture in Finland, and Challenges &amp; Benefits of Globalization. These theoretical frameworks are presented as part of the study in order to comprehend the situation as it is nowadays in Finland.</p> <p>The research includes interview analysis as well as discussions. In conclusion, ideas on improving teaching methods in sales in Finland, and making the Finnish sales culture more open for individuals from other cultures are presented.</p>	
<b>Keywords</b> History, Sales Culture, globalization, multicultural, diversity, teaching methods.	

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# **1 Introduction**

The main topic of this paper is sales culture in Finland, and how influenced by historical events, it has undergone changes in the past twenty years.

Analysis of the situation regarding business development from the time when Finland just started doing business internationally, and now as business is conducted in a highly globalized manner.

## **1.1 Background**

The sales culture in Finland has evolved over the past 20 years. At that time Finland's biggest trade partner was the USSR, and business dealings were conducted mainly between the highest level government offices. Now, the situation has changed drastically. Research shows the development and changes, which have taken place over the years. With a joined European Union, it is hard to distinguish local sales from global sales. Even though a firm might produce and sell goods only in the local market, its competition will continue to be a global business offering products with similar properties made in a low labour cost country with lower market price. With the technical possibilities, and the united trade laws of the European Union, global trade has been made more accessible than ever.

## **1.2 Justification**

This is a relevant topic because times have changed and, instead of mainly conducting business with their nearest neighbours, Finnish companies are increasingly taking part in the global economy. According to the fourth annual A.T. Kearney/Foreign Policy Globalization index, Finland was ranked fifth, between the most globally integrated countries in 2004. This ranking was achieved mainly because of Finland's highly developed area of technology. (Foreign Policy - magazine 2004)

Finland is seen as a technology leader for the world, and has proven that a country does not necessary need to be large and powerful to take part in the global development. According to the World's Economic Forum Finland has been ranked as the most competitive country in Europe in 2014 (highest ranking country in smart growth, digital agenda, innovation, education and training and social inclusion). (Good News from Finland 2014)

The following table (Figure 1) shows results from the Europe 2020 Competitiveness Report.

Europe's Competitiveness Report 2020

Country	Score (1-7)
Finland	5,70
Sweden	5,55
Netherlands	5,41
Denmark	5,32
Germany	5,28
Austria	5,16
United Kingdom	5,13
Luxembourg	5,07
Belgium	4,93
France	4,81

Figure 1: A table showing the Europe 2020 Competitiveness Report (Good News from Finland 2014)

Finnish businesses relocate to countries with larger markets and cheaper production costs. Additionally, Finland can provide skilled and educated developers for international companies. The education system in Finland is one of the best in the world, and yearly delegations from over 50 countries visit Finland to determine its educational prowess. According to the World Economic Forum, Finland ranks first in enrolment, and quality of tertiary education. (PBS 2008)

### 1.3 Objectives and limitations

To succeed in a global market Finland has to change its mind-set about employment policies. Even though the situation has changed drastically in the last two decades, and some companies have learned from their mistakes lack of foresight, it is crucial for Finnish economy to take advantage of the experience and cultural knowledge of individuals from other cultures, especially in business situations which include global communication.

“The first requirement for success in sales is to ensure that the salesperson can effectively communicate with current and potential customers.” (Honeycutt, D.E., Ford J.B. & Simintiras, A.C. 2003, 56)

The main objective of this research is to look at the changes of sales culture in Finland, and analyse whether it would be beneficial for Finnish economy to globalize their sales culture. Hiring individuals from different cultural backgrounds could help companies achieve better results. The global business world is undergoing fast changes and work-force diversity would give Finnish companies new possibilities.

There were some limitations to the research as well. One of those was time-management. It has been very challenging to find suitable time for interviews. One of the interviews was conducted per e-mail, due to the interviewee being located in Mexico at the time of research.

#### **1.4 Structure and chapters**

Research was conducted in four parts. The first part included gathering and reading relevant theory material about sales culture and teaching sales methods in Finland. Interviews were planned, scheduled, and conducted. Empirical material was gathered during the second phase. The third phase included analysing the interview results with regards to the theory. During the fourth and final phase, conclusions were extrapolated, and proposals on how to make the sales culture in Finland more accessible for individuals of foreign origin were discovered.

The research comprises of six chapters. The first chapter contains introductions and the background information on the topic. It also describes justification of the topic in question, and provides objectives and limitations of the research. The theoretical part is divided into three chapters. The second chapter shows recent historical facts about Finland as well as the situation currently, followed by cultural aspects that have influenced Finnish sales culture. The third chapter includes theory on teaching methods of sales. The final chapter on theory discusses challenges and opportunities when working in a global market. It explores the benefits and conflicts that might arise.

The fifth chapter includes information on the interview process. The methods used for interviews are mentioned, and the reliability and validity of the research is discussed. The sixth and final chapter provides the interview results. Development ideas are offered in the conclusion.

## 2 Facts

### 2.1 History

In the beginning of the 1990's, there were two historical events that left a strong impact on Finland's economy - the dissolution of the USSR (Soviet Union) in December 25, 1991, and when Finland joined the European Union on January 1, 1995.

**1952-1990:** 15 percent of Finland's total exports were to the USSR. This was very beneficial for Finland's economy, even though it was a dependency relationship and bureaucracy. The Finnish-Russian trade started right after the war in 1945. The first five-year agreement was signed in 1950. The USSR was the most important trading partner for Finland. They imported foods, footwear, and textiles (mainly because of the limitations of market access), up until the collapse of Soviet Union. The collapse had a tremendous impact on Finland's GDP. It is believed that the huge increase of unemployment in 1991 was a result of the 14 percent decline in Finnish aggregate production, following the end of the Finnish trade with the USSR. (Pekka Sutela 2005, 2-5)

For a very long time Finland, was caught between East and West, and because of its strong economic ties to Russia, it had been impossible to join the EU sooner. The years following the 1990's crisis were very hard on Finland's economy, but it improved, and when Finland joined the EU in 1995 (except the persistent unemployment rate), the situation was fairly stable. Towards the end of the 1990's, the share of exports in the economy increased, and domestic sales improved. The main industries for export were forestry goods and electronics. Upon joining the EU, Finland had opened its market to a German discount store, in addition to many others. Finland takes a very liberal approach to globalization. A great example is Nokia, which has benefited greatly from that. Finnish companies have been sold to foreign investors widely, especially to investors from other Nordic countries. (Sinikka Salo 2006, 4-5)

Over the past twenty years, Finland had developed from a country with the smallest amount of immigrants residing in its borders, to a country with over 320 000 immigrants. Finland was finally becoming a multinational community.

The following diagram (Figure 2) shows the immigration rate to Finland since 1990.

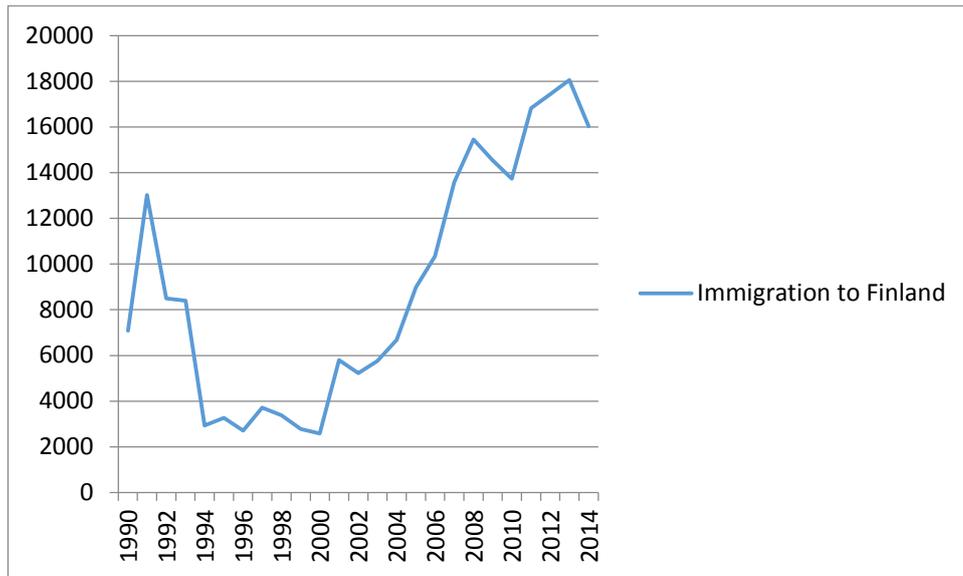


Figure 2: A diagram showing the immigration to Finland in the period between 1990 and 2014 (Statistics Finland 2016)

This has widened the horizon of Finland, and with joining the European Union in 1995, it had started a need for development of their sales culture. Many young professionals travel and work abroad, in order to gather international experience to use for their professional development.

A person who was born, raised, and educated in Finland, but worked with other nationalities, has not only retained his culture, but also gained the knowledge of communicating and working with persons of foreign origin.

## 2.2 Culture

” Culture is communication and communication is culture” (Hall, E. 1959)

Currently, it is not easy to divide national cultures, therefore the culture of Finland will be considered as a whole. A person is defined by the culture of the country where he has grown up, the language he speaks and the traditions & norms he follows. Culture in general can be defined by an individual’s language, sex, profession, education, ethnical group, religion, social class, and family. (Usunier, J-C. 1993)

The following diagram (Figure 3) shows Hofstede's four cultural dimensions:

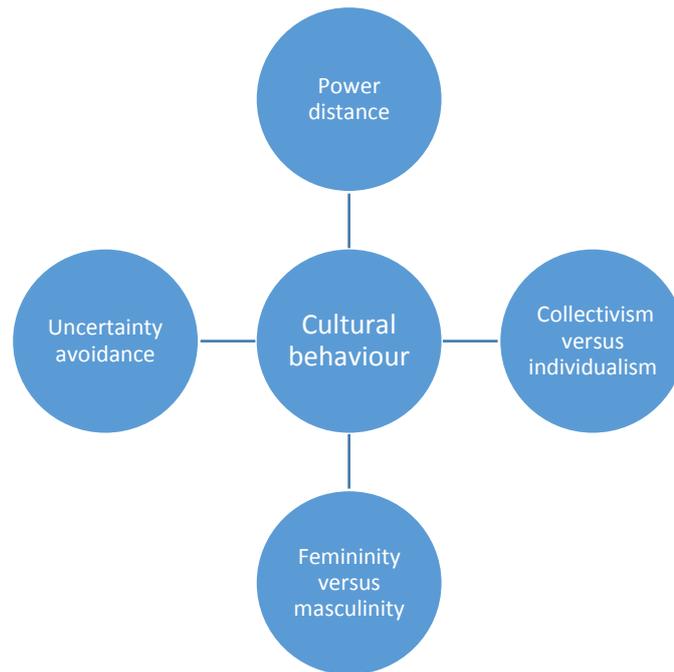


Figure 3: Hofstede's four dimensions that characterize the cultural behaviour of a person (Hofstede, G.1991)

### **2.2.1 Power distance**

The power distance shows the different levels of hierarchy in a culture. Finland is a small power distance country, so there is a very small difference between different levels of hierarchy. All people are treated equally. Finns usually have a very democratic way of taking sales decisions. Every decision is discussed between all parties involved. Rarely does one person take on an important decision involving multiple parties.

### **2.2.2 Collectivism versus individualism**

Hofstede writes, that "in cultures with strong collectivism people usually care for each other very much". This involves having a large family and taking care of parents, grandparents, cousins and aunts. People from individualistic cultures usually are more self-centred, they care about themselves more than about the others, and usually they take care of only the closest family members. Finland is considered a country with an individualistic culture, at least on the basic level, as there is a social support system in place for the older generation, and people in need.

### **2.2.3 Femininity versus masculinity**

The third cultural dimension is connected with gender roles in a culture. In a masculine culture, there is a very strict division between roles in a family. There is the “breadwinner”, a money-earning male who takes care of the family. There are as well professional restrictions according to ones’ gender. In Finland, it is a female-driven culture. Nowadays, the gender of a person does not matter very much when one choses his/her profession, and money is earned by both adults in a family. This cultural aspect is very important when we consider the working aspect. If in a masculine culture the management style is rather strict and loud, then in the feminine culture (Finnish culture), it is rather decisive and intuitive.

### **2.2.4 Uncertainty avoidance**

It is “the extent to which the members of a culture feel threatened by uncertain or unknown situations”. (Hofstede, G.1991)

Countries, which have a higher level of uncertainty avoidance in their culture, usually have many exact laws or rules. Finland is one of such country. It is very well organized, and the government and its population think about the future and take care of planning and avoiding anything bad happening by setting in place the aforementioned rules and following them as well.

### 3 Teaching methods of sales in Finland

The teaching methods of sales in Finland have evolved over the past 20 years. The reason for this is the globalisation and internationalization in large part, since Finland's joining the EU in 1995.

For the research involved, the following study materials will be used - a sales manual written by Finnish authors, and also one written by foreign authors. Even though these books were written at approximately the same time, there are rather distinct differences visible in the approach and methods used. In addition, these study materials are still used for sales studies in Haaga-Helia University of Applied Sciences.

To look at the sales teaching methods in Finland a sales handbook written by Ulla Pekkarinen, Erkki Pekkarinen and Jouni Vornanen "Menestyvän myyjän käsikirja" published by WSOY Oppimateriaalit Oy in 2006 has been chosen.

The book of reference looks at four different sales methods – Active sales in a shop, Representative sales, Telesales and Customer Service sales. The sales profession is an ever-changing one according to the authors of "Menestyvän myyjän käsikirja". No one is born as a salesperson, but the skills needed, can be acquired. It is considered very important to continuously learn and develop as a salesperson, as the market is ever-changing. It is important to not only know your product or service, but also your customers. (Pekkarinen, U., Pekkarinen, E. & Vornanen, J. 2006, 7-12)

According to this sales handbook, it is important for a sales professional not only to know how to praise his offered product but also to listen to his customer, so he knows what to offer in the first place. A good salesperson should be able to hear what the customer needs and offer it accordingly. One has often to act as a translator between the producer of a product, and the end customer especially, when the product in question has technical properties. There are ten facts that a good salesperson should be aware of.

- The experience of happy customers, which have purchased the product.
- The latest development of products being sold. This knowledge should be provided from the producer of goods.
- The future development of products. It might be difficult with today's changing markets and suppliers, but it is a challenge every salesperson has to master.
- All services provided in connection with the products, for example, warranty, accessories, etc.

- The seasonality and life cycle of products.
- The competitor's products, so he can answer all questions a customer might have.
- The benefits every customer might gain by buying the salesperson's products.
- To understand customer's needs, and to be able to offer his products in a way that these needs are fulfilled.
- The hierarchy of the company, history and the market share the company is covering. These facts are not necessary in a day to day sale, but each salesperson should be aware of those. (Pekkarinen, U. & al. 2006, 13-14)

It is very important to prepare yourself before every sales meeting. The preparation is different for every sales situation. It might be marketing, or the planning of an online-shop's graphics. This handbook teaches the old saying "the customer is king". Since customers make buying decisions because of different factors, for example, some might appreciate the salesperson to be very knowledgeable about the technical specifications and others might decide to buy a product only because of the good interaction with the nice salesperson. (Pekkarinen, U. & al. 2006, 22-24)

According to the authors of this handbook, the motivation for a sales decision is very important. As referenced below, Maslow's hierarchy of needs is mentioned.

The following diagram (Figure 4) shows Maslow's hierarchy of needs.



Figure 4: Maslow's hierarchy of needs (Wikipedia 2016)

A salesperson has to understand where in this pyramid the products or services sold by him are located. It is always easier to sell products which are needed for a person's survival or safety than those which are located higher in the pyramid. In a sales situation, this hierarchy can have dual benefits. The customer gets his needs fulfilled by getting a needed solution, and the salesperson fulfils his need for recognition by having made a difficult sale. The authors also discuss the important topic of a salesperson's motivation. According to them this profession can be rather difficult physically as well as mentally. That is why, it is advised for a salesperson's employer to rotate the employees so they get the possibility to work with different products. The physical health is important as well, since a salesperson's daily work might include long hours driving a car, carrying samples or working with a computer. A person should always take care of his physical health first. (Pekkarinen, U. & al. 2006, 25-29)

Following trends is another important factor, which has influence on a salesperson's work. It is crucial to follow trends and to foresee them, especially, since the competition does the same. There are certain differences between selling to private customers and selling to companies, but in the end, after all the benefits of products are covered, a subjective decision will be made. If two products are equal and provide the same level of service, like a warranty and technical service, for example, the deciding factor will be the salesperson. The customer will choose to buy from the person not the company, which he was in contact with. (Pekkarinen, U. & al. 2006, 32-34)

Customers can be divided into groups according to their personalities, age, professions, education, etc. Usually products are developed for specific customer groups or target groups, but it is also crucial for a salesperson to have the communication skills of reaching different customer groups, to be able to succeed. It is a fact, that customers that have received good service will tell about it every third person, but one who has received a bad service will tell everyone. To return to the aforementioned fact that customers buy from the salesperson not from the product manufacturer; it is also true that a bad salesperson can damage the reputation of an entire brand. People tend to associate goods with their experience. So, if a person wanting to purchase a great product receives bad customer service, his opinion about the great product will be destroyed. It is not enough to provide good service only once, because the secret of success is continuous business from returning customers. That might require time and effort, but in the long run it is what earns the most. (Pekkarinen, U. & al. 2006, 35-40)

For a salesperson it is always important to know who the decision maker is when it comes to purchases. The times have changed, and nowadays there are more and more people

living alone rather than having a family. That has to be considered when offering products for certain target groups. Instead of concentrating on families with extra big family packages, smaller quantities of goods have to be offered. Another factor is the influence of people around; media and opinion leaders. A salesperson can be an opinion leader as well. Customers are often interested to purchase products seen being used in a TV show or by somebody they know and respect. A salesperson must be up to date about such influences. The cultural background or the way a person has grown up might also influence his purchase decisions. (Pekkarinen, U. & al. 2006, 41-44)

Sales' planning is usually done by the salesperson and his manager. Its aim is to set weekly, monthly, and yearly goals for the salesperson as well as to foretell the needed amount of stock to purchase. It is not an easy task; too high a sale goal might cause less motivation in the salesperson, whereas too low goals will not benefit the company. (Pekkarinen, U. & al. 2006, 45-46)

AIDA (SS) method is commonly used for sales. It includes 6 steps which are – A: attention, I: interest, D: desire, A: action and recently added S: satisfaction, and S: service. This method is a good example of how a deal can happen, but for each salesperson it is best to have their own sales method that works in different situations. (Pekkarinen, U. & al. 2006, 46-47)

The actual sales conversation is divided in 5 parts (first impression, assessment of needs, presentation and argumentation process, closure of deal, and aftercare) from the salesperson point of view, and 4 (entry – possibly after seeing an advertising, realisation of need, sales conversation, decision to purchase) from a customer's point of view. It used to be very common that salespeople learned an intro about their product and company, and started the conversation with those few sentences. Since the customers and market has changed a lot during the past few years, nowadays, the start of a conversation is more challenging and has to be tailored to each customer. It is advisable for a salesperson to take a moment and observe the customer for a while, because it might give him insight on the customer's needs and personality. For example, a customer that enters a store quickly and goes with confidence to a certain department might already know what he needs, and he might not have much time for a lengthy sales conversation. The first impression is important, that is why the first spoken words to a customer should be very well thought out. Often, such minute factors as the salesperson's outfit, his tone of voice or face expression, in the first few minutes can influence the outcome of a deal. A customer has to trust that he is at the right place talking to the right person who is interested in solving his problem. This is difficult with face to face sales but a huge challenge with

telesales, where the only tool, is the salesperson's voice. Another challenge in the Finnish market, are Swedish-speaking customers. Finland is a country with two official languages and, if a salesperson does not speak Swedish, he might encounter difficulties with Swedish customers. (Pekkarinen, U. & al. 2006, 48-52)

Questions are important. Instead of starting the conversation by telling a customer what he has to offer, a good salesperson first asks poignant questions. By asking the right questions, he receives the information needed to prepare his offer. Another positive side effect of questioning a customer is that he makes the customer feel special. Everybody likes to talk about themselves. By doing so he not only gets to know the needs of the customer but also gives him a good feeling, which is extremely important in a sales situation. For a positive outcome, a salesperson has to ask the right questions and guide the customer towards his products. Listening is an acquired skill. When listening to the answers given, a salesperson has to understand and read between the lines. He has to foresee rebuttals the customer might present before he has them. Finnish customers are very impatient. If a salesperson talks too much, they consider it rude. Only answers to a certain question from a customer, for example, about the product in question are acceptable. "Small talk" in any way is not appreciated by Finnish customers. Reading non-verbal signs is another part of a salesperson's work. If a customer is looking at a product but saying that he is not really interested in it, which might not be true. Watchfulness helps in these situations. (Pekkarinen, U. & al. 2006, 59-62)

According to the authors of this handbook, a salesperson should always build up the conversation in a way that before informing the customer about the price, he has the possibility to tell him everything about the benefits the product will provide. The customer should want the product by the time price enters into the conversation. A discount always helps. A customer should be made aware what is included in the price, for example, technical support, a 2-year warranty, etc. (Pekkarinen, U. & al. 2006, 74-77)

To "seal the deal", is the most difficult step for many salespeople. One has to be very attentive, because sometimes small non-verbal signals might show that the customer is ready to buy. It might be a sign, if the customer suddenly pays more attention to what the salesperson says or he just repeatedly touches the object in question. There are many moments when a salesperson can try to seal the deal. It is always good not to give up after the first failed attempt, but to continue convincing the customer, if he has shown promising signs. Even in situations when a customer has declined to purchase a product, the salesperson should ask for the reason. This is a good way of getting to know how to develop the product or to receive information about the offers of competitors. A great tool

to pressure the customer to purchase is to take a moment and be silent after asking if he is ready to buy. It is a psychological way of getting the customer to agree on a deal. After the customer has made his decision to buy, it is always good to remind him about the benefits he is getting. That makes him feel more strongly about the rightness of his decision. (Pekkarinen, U. & al. 2006, 78-85)

## **4 Challenges and opportunities**

When talking about global trade, it is usually "The Triad" where the most global sales activities happen. It is North America, Western Europe and Japan that are considered to be the three major commercial areas of the world. To be able to conduct sales globally, sales managers must understand the different cultures, technology, geography, and different legal systems. A company offering global market products usually produces them in one of the low cost labour force countries, for example, Philippines, Mexico or Ireland, and has the development department working from southern California (companies like Apple) or India, as creative engineers can be found there. Globalization, scares with actions like outsourcing and moving manufacturing among lower wage countries. There is a concern between globalization critics, that no one really controls or fully understands, but nowadays it is clear that globalization will continue, and sales managers should plan from this point of view to be successful. Countries produce goods they specialize in, and sell them abroad. At the same time, they import goods and services that can be produced efficiently elsewhere. Very few companies work purely for the domestic market, which means that almost all firms nowadays compete in the global market. (Honeycutt, D.E. & al. 2003, 6-12)

### **4.1 Conflicts**

Culture, is the main factor that guides the human behaviour. We learn culture from our families, and the society we are raised in. Learning is the key word here. We usually view the actions from our perspective and that is our main problem. That might not be a problem for somebody who deals with others from his own culture, but to be successful in a global environment, we have to be able to adapt and be open to other cultures. That is why sales people that work in multicultural organizations have to be given the knowledge of different cultures, to be able to build long-lasting relationships with customers and their business partners. This will help minimize cultural conflicts, and improve the cooperation with business partners. When individuals with different cultural backgrounds come together and form a new community, they also create a cultural bond. If an outsider comes into this group, he has to learn the values held by the group. Whenever an immigrant learns and accepts these values, it is called acculturation. When he is completely absorbed by the group, he assimilates. Assimilation happens very rarely, since usually we tend to keep something from our old culture, and that is how misunderstandings and cultural conflicts are developed. There are four levels of cultural aggregation – local, national, regional, and global. National culture is the most influential, so it is imperative that salespersons receive cultural training. (Honeycutt, D.E. & al. 2003, 19-22)

Free trade could harm developing economies, which often struggle to compete with already developed countries, and globalization has increased the costs of non-renewable resources. Connected to this, it is believed to have affected negatively global warming and increased pollution. Often global firms choose to produce their goods in countries with less environmental restrictions. (Economics Help 2012)

Regarding the free movement of work force, higher wages often attract professionals, so countries with a lower wages lose their professional labour force.

Last but not least, is tax avoidance? Large companies can set up offices in countries with very low corporate taxes, thus avoiding paying higher taxes in the countries they actually generate most of their business with. (Economics Help 2012)

## **4.2 Benefits**

According to the Economics Help Online-magazine one of the greatest benefits of globalization is free trade. It means that countries can exchange goods, resources and services, and can specialize in producing goods that they are specialized in. The result is lower prices, greater choice of goods, bigger export markets for domestic manufacturers, and greater competition. (Economics Help 2012)

Another benefit is increased labour migration, which gives advantages for the workers as well as for the recipient countries. Individuals from countries with high unemployment rates have the possibility to look for work in another country. This has been occurring with Eastern European workers who migrated to the West. Some countries might experience shortage of employees to fill important posts and labour migration helps in these cases. Some countries might be afraid of free movement of labour, because it can cause pressure on housing and social services. An example of this is the US, who is actively trying to prevent migrants from other countries.

Globalization makes it easy to produce goods in different places all over the world, which lowers the production costs, and offers the consumers the opportunity to purchase goods at lower prices.

There is greater competition, as local firms have to compete with international providers of goods.

Increased levels of investment are another benefit of globalization. It has become easier for countries to attract investment. A good example of this is Nokia in Finland, whose shares have been sold to foreign investors. (Economics Help 2012)

## **5 Conducting the research**

Research planning and implementation will be introduced in this part of the study. To answer the question of whether foreign employees can be successful as part of Finnish sales culture, interviews were conducted.

### **5.1 Research method**

For this study, the qualitative research method was chosen. Three semi-structured interviews took place. It was chosen to use semi-structured interview form, for the purpose of gaining the required information in order to compare and analyse the different experiences of the interviewees. For the purpose of the interviews, two in person meetings were scheduled with one sales professional, and in two cases, e-mail had been used as interview tool. The interviews were recorded and transcribed.

### **5.2 Methods for analysing the interviews**

After conducting and transcribing the interviews, data was organized in a systematic manner. It was coded and fragmented into different categories, which helped to concentrate on the main research question. By this time, patterns emerged, and the translation of data could begin. Theoretical concepts were developed, and relationships between the data collected and the theory researched, were discovered.

### **5.3 Reliability and Validity**

“Research is not a wholly objective activity carried out by detached scientists. It is... a social activity powerfully affected by the researcher’s own motivations and values. It also takes place within broader social context, within which politics and power relations influence what research is undertaken, how it is carried out, and whether and how it is reported and acted upon.” (Blaxter et al. 1996, 15)

It is said that in qualitative research, the concept of reliability is less significant than validity. The explanation for that might be the fact that reliability implies both consistency and replicability, so it is rather difficult for a qualitative study to be reliable, because a possibility of duplication is not achievable. (Basit 2010, 70; Daymon & Holloway 2002, 90)

In order to make this research reliable, the interviewees were asked the same questions and all answers, data, and methods were recorded. To ensure the validity of the study, interviewees from different ethnic groups were chosen. It was however, important that all of them had at some time been actively working as salespeople in Finland.

## **6 Research results**

As mentioned before, three interviews were conducted. All interviewees were chosen because of the following criteria:

- It was important that they have worked in Sales in Finland for some time as well as them being of foreign origin.
- The choice was made in order to reflect the opinion about the topic of this research from the point of view of people with different cultural backgrounds.
- They gave answers to the same six questions (see Appendices, Interview questions).

### **6.1 Interviewee's profile**

The first interviewee came from New Mexico, United States, and is a Senior Lecturer at Haaga-Helia University of Applied Sciences. He has a PhD, and teaches Sales. The interviewee has currently advanced to selling Finnish International Degree Programs (GLOBBA) in Mexico, where he is currently located.

The second person interviewed, was a Sales Professional of Indian nationality, currently occupying the position of Vice President – Nordic Sales at Atos IT Solutions and Services Oy. He has worked in Finland for the last 11 years. Before coming to Finland, the interviewee had worked in Sales in the United Kingdom and the US.

The last interviewee is a retired CEO from Egypt, who has been living and working in Finland for the past 35 years. Before retiring a few years back, he owned a company named Blue Nile Oy – a company selling business gifts and promotional items made from leather. The company's turnover was 145 000 € in 2011. (Kauppalehti 2016)

### **6.2 Interview results**

When asked about the main differences between the sales culture in Finland and other countries, the first interviewee said that "Finns are very price sensitive; in fact, I felt that was the main criterion for decision making". His experience shows that Finns usually do not ask for much information, and tend to be very sceptical of new products. That coincided with the opinion of the third interviewee (the Egyptian CEO), who also spoke about the difficulty of bringing new products to the Finnish market. Both interviewees agreed that the sales culture in Finland is very traditional, and reflects the values of Finns. The second interviewee discussed Finnish sales culture as being very soft. They mentioned it had little passion or perseverance.

All three professionals had a strong opinion on the development of sales culture in Finland. The second interviewee thought that “Necessity is the mother of invention. The onset of the global economic recession in 2008 had helped the sales culture in Finland improve for the better. This applied not only to corporations, but also to shops where salespersons actually make an effort to sell a product to a customer, primarily driven by the fear of customers buying the same product from elsewhere. This had not been the case few years back when salespeople would rather stand at his/her place and direct the customer to another shop”. The experience of the Senior Lecturer had shown that “Finns work very hard to make the sales transactions quick and efficient with very little emotional exchange”. He thinks that Finnish customers appreciate that. As an outstanding example he mentioned the “Ravintolapäivät” (the Restaurant Day), during which people work and sell to individualize the level of service. In his opinion it was not always very well done in terms of service, but still a unique experience for the customers. In his opinion Finland has the best tax form services, as well as the overall customer service quality in the public sector, which is supported by the use of the latest technology. The third interviewee mentioned that “Finnish companies hold a great number of educational events for their salesmen that have improved their skills quite a significant amount in the last 20 years”. According to all three Sales Professionals, Finland’s sales culture has undergone a number of changes during the last two decades.

“Finns are not recognized for their sales skills in the global market. Low drive, low perseverance and the inability to hard sell when required, are the main challenges of Finnish salespeople” stated the Vice President of Atos, when asked about the main challenges of Finnish salespeople in the global market. According to the American interviewee, the ability to adapt their behaviour might be challenging for salespeople with a Finnish cultural background. Although in his opinion: “Finns face the same challenges as any others in a foreign market”. The third interviewee was convinced that the biggest challenge for Finnish salespeople is the inability to use advisors with multicultural background in order to receive the required knowledge of different cultures. He spoke about the huge amount of immigrants that have taken up residence in Finland over the past 30-40 years, which have the needed knowledge. In his opinion, Finland should follow the example of the United Kingdom and United States, who have been using similar resources for the past decades, in order to improve the security of the country for instance.

When asked about the possibility of foreign salespeople being more successful in Finland in comparison with sales professionals of Finnish origin, the Vice President of Atos agreed that it is possible, if the salesperson speaks Finnish and has the required cultural knowledge. The retired CEO and company owner agreed as well. In his opinion it is very

hard for people of foreign origin to succeed in Finland, and for a salesperson to be successful, it requires excellence and never-ending persistence. As the reason for that, he mentioned the still-existing unwillingness of the Finnish people to accept a multicultural work-force in their midst. The American salesperson provided his opinion on the topic. He spoke about Finland as a multicultural country, which nowadays has many cultural groups residing in it. "As Finland becomes more culturally diverse, it goes without saying, that a native selling to other natives has a communicative advantage".

The interviewee of Egyptian origin believes that Finnish salespeople should study a culture before entering the targeted market, as well as the language spoken in the country. He is convinced that Finns should take advantage of Finland's good reputation when working globally. "I am a big advocate of learning more about emotional/social, and nowadays cultural intelligence", said the first interviewee. The Indian salesperson had offered great advice as well, "Change with the changing times. Shed your inhibitions, be persistent and be prepared to take "no" for an answer. Remember, crying babies get the milk".

### **6.2.1 Conclusion and suggestions for development**

After gathering the theoretical material and analysing the interviews, it has become clear, that even though Finnish companies are investing effort and money into educating their salespeople, they do not use all the resources available. The unwillingness to hire employees with multicultural background persists, and by continuing this course, Finnish companies will suffer financial setbacks. As previously mentioned in order to be successful in the global marketplace, a salesperson has to have cultural knowledge of the target market. The easiest way of doing that is to communicate with people of that culture. Having a multicultural workplace, allows the employee to receive needed knowledge without a large investment. Finland is a small country that has only recently entered the global market, so it should be self-explanatory for Finns to ask for help or accept help that is being offered. Unfortunately, Finns are known to possess the "country-of-origin effect" (Ryan, J. 2008, 13-20), which means that Finnish companies do not want Finland to be represented by somebody not of Finnish origin. This results in a very slow development of Finland's sales culture. As mentioned earlier the immigration to Finland started 30-40 years ago, so nowadays there is already a second generation of people whose parents initially arrived to Finland in the 80's. These young people have been born and raised in Finland, but are not considered equal to people of Finnish origin, even though they are more valuable for work in a global setting since they have been raised with two cultures, and two languages at the least.

After listening to the experiences of the interviewees, it is clear that even though the Finnish sales culture has changed over the years, and sales professionals of foreign origin are successfully working in Finland, there is a lack of cultural intelligence in Finnish sales culture. Therefore, I have gathered relevant data from my interviews and theory on how to improve the teaching methods for sales in Finland.

It is my belief that companies in Finland should be looking for people who not only know different languages, but also possess the knowledge of different cultures. There are different ways of communication which include not only different languages, but also other - not less important factors.

- **Non-verbal communication** is crucial for any sales situation. Salespersons must be trained to understand non-verbal communication. Appearance is very important. Different cultures require different dress and grooming. Tone of voice or the clarity of speech has to be trained as well. Some cultures may take a loud voice as anger, others - too silent voice as timidity. It is important to time the responses well, since too quick an answer might be perceived as lack of consideration whereas too slow answer might be viewed as avoidance. In some Middle Eastern or African countries, people do not bathe daily because of the limited water supply, so sense of smell is a consideration as well. Another important nonverbal factor is hand gestures. It is good to know what different hand gestures mean in different countries. Some cultures accept a tap on the back or a hand shake, while in other cultures physical touch is absolutely forbidden and in fact, might be taken as a great insult. Eye contact is considered to be a sign of trust in the United States, while in other countries it is seen as offensive. (Honeycutt, D.E. & al. 2003, 25-27)

According to Peter Andersen each culture has a certain way of communicating non-verbally. There are four aspects.

The following diagram (Figure 5) shows four non-verbal aspects of communication.

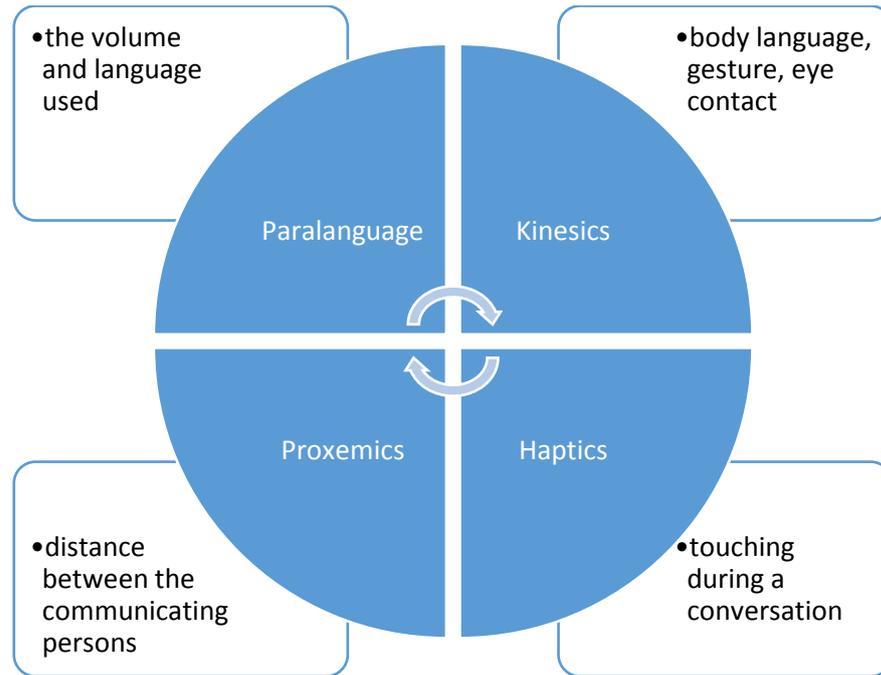


Figure 5: Four aspects of non-verbal communication (Andersen, P. 2007)

Finns tend to use rather monotone tone of voice, not very loud, but also not too silent. They talk only when they have to talk, or are asked a question. When they talk, they tend to stay on the given topic and discuss the matter at hand. Finnish people usually do not like "small talk". That is a skill to be acquired if doing business with individuals from other cultures. The body language of a Finnish salesperson is very tuned down. They usually do not gesticulate much, more concentrate on the words spoken. Finns like their private space, so everything that comes into this space is considered unwelcome. There is no touching involved of course, except a short handshake at the beginning of a meeting followed by a short moment of eye contact. The overcoming of these cultural issues when doing business with persons from other cultures is difficult, and requires a special training.

- There is no communication possible without a **language**. The idea that arrives to the receiver of the verbal message has to be the same as the one of the person sending it. If not, this may lead to misunderstandings. Words have to be used carefully, as the usage of idioms, for example, might change the original idea. Another danger when using verbal communication is carelessness. Not being prepared well, or accidentally using a word that might be perceived as inappropriate, would be primary examples. A solution for this problem is the use of certified inter-

preters. A bigger problem is multiple-meaning words. There are languages in which the meaning of the word derives from the context in which the word appears. This problem could be solved by apologizing for any possible language mistakes beforehand. These, of course, are not all language related problems that may occur. It is important not to forget about different dialects, or the forms used when talking to senior people in some languages. (Honeycutt, D.E. Honeycutt, D.E. & al. 2003, 23-25) The problem in learning another language lies not only in learning words, but also in knowing how, and when to use them. Finns usually have a rather good knowledge of English and some Swedish. There is no big problem of using these two languages if the conversation partner is a native speaker, but it is rather difficult to do it, if both are foreigners using a foreign language to communicate.

- **Religion** is a very important factor when thinking about global interactions. It not only influences the working hours (prayer breaks, religious holidays, etc.), but also the balance between men and women. In some cultures, women are subservient; they even have to walk behind men. So, how can a female salesperson conduct business with a male customer from those cultures? A salesperson must be aware of those differences and act accordingly. (Honeycutt, D.E. & al. 2003, 27)
- **Aesthetics** is what a society finds beautiful or appealing. The length of hair, facial hair, jewellery, and way of dressing, artwork, musical tastes, etc. Salespersons should know how to present themselves in certain cultures. (Honeycutt, D.E. & al. 2003, 28-29)
- The **level of education** of a salesperson might be a problem, as it is easier to accept and understand differences in cultures for higher educated people. It might also be problematic, if a salesperson has to move and take his family to another country, which does not provide the desired educational possibilities for children, or the schools are too expensive. (Honeycutt, D.E. & al. 2003, 28)
- Usually there are different **social organizations** within a culture. A Sales manager has to take into account all variables that might affect the cooperation. Those are: age, income, ethnic heritage, social status, and gender. In some hierarchical societies, it is unthinkable for an older person to answer to younger supervisors, for example, or when a salesperson from a more affluent background is asked to handle a customer with a poorer background. (Honeycutt, D.E. & al. 2003, 29)

- The differences in the **advancement of technology** in many cultures are rather big. A salesperson must be able to understand it and to be able to communicate and understand his customer's technological limitations. It pays off taking time to ensure similarities between the salesperson and his potential customers in this field. (Honeycutt, D.E. & al. 2003, 29)
- **Time and scheduling**, are other factors when working globally. The time-management of a salesperson is crucial when making the first impression in some cultures. In countries like Germany or Finland, being late for a meeting is considered a personal affront. It shows your disinterest and disrespect, if you are tardy. On the other hand, there are countries like Mexico or Spain where time is not such an important factor and everything happens at a more relaxed pace. (Honeycutt, D.E. & al. 2003, 30)
- In each country there are **values and norms**, which are culturally ingrained, and which set the standards of acceptable behaviour in a society.

The following diagram (Figure 6) shows some of the major value orientations.

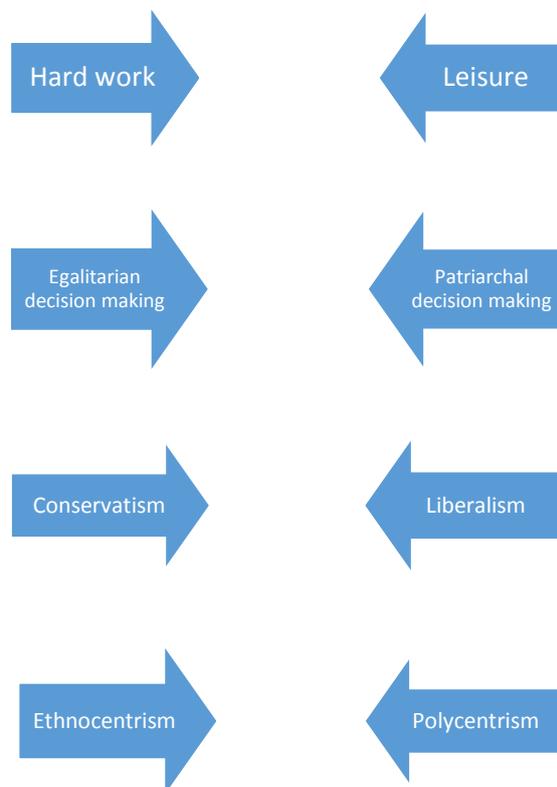


Figure 6: Major value orientations (Honeycutt, D.E. & al. 2003)

- For every salesperson it is good to keep in mind that **similarity** enhances success, and differences can cause problems. For example, a worker from Spain will have a hard time working for a Finnish employer, because he is used to take lengthy breaks or involved in lengthy “small talk” with his co-workers’ while working, whereas Finnish work culture is similar to some extent with German culture, which strictly states when work begins and when it ends with scheduled time for breaks. The same can be said about decision-making. While in an egalitarian society every decision is made by husband and wife together, in patriarchal societies it is done by the male of a family. A conflict may also arise when persons from traditional cultures meet individuals with a liberal background. A traditional person would value his traditions and expect them to be followed, while a liberal individual might want to change things just for the sake of a change. Another issue might arise with a female salesperson having to work with male customers from cultures where women are supposed to be subservient. Even though all the previously mentioned values are highly important, the biggest misunderstandings could cause the conflict between those from ethnocentric countries versus people from polycentric countries. Ethnocentrism is a term which describes that a person with a view of how things are conducted in his country thinks that it is the way things should be done globally. Many American companies have suffered from this problem, because other companies around the world do not have to accept the way of doing things the “American way”. Polycentrism is the opposite of ethnocentrism, which means that entering another country, a person has to adapt to the way things are done there. (Honeycutt, D.E. & al. 2003, 30-31)
- It is important to remember that for a salesperson to be able to work in a global environment he should be **respectful** towards other cultures, show great deal of tolerance even though he might not understand it, and always be able to relate to other people. One of the biggest mistakes a person can make is judge others, so a salesperson should observe and personalize his observations. This includes patience and empathy, which, while not the easiest way, will help conducting business in a global environment.

It is little coincidence that in the world of business and industry, the old adage “sales, are the lifeblood of a business” has been used. As was previously mentioned, the Finnish business world is very “Finncentric”. This is most notably because of the top 20 companies with the highest profitability margins in Finland, are Finnish (75%) (Largest Companies 2016). The segregated business model and national pride in some regards, has hurt the legitimacy of the Finnish company. There is no greater evidence of this “moving with

blinders behaviour” than taking Nokia, as a minor case study. Nokia at its peak in 2007 controlled 41% of global sales in the cellular industry (CNET 2014). Without moving forward and taking advantage of market share, it allowed Korean vendors who were moving more quickly, to exploit the market, and pick-up where Nokia was weakest. Additionally, with the “global changing iPhone” (not really the first smartphone, as Nokia was the first in that industry), Nokia did not want to compromise on their product, and produce what customers wanted, with respect to the demand at the time for the touchscreens. The stubbornness and uncompromising features and attention to detail that initially helped launch this global juggernaut, were the same characteristics that began and helped to seal their demise. The lack of urgency to bring product to market and to exploit sales based on market share, were the final nails in the coffin. In the end, Nokia was sold to Microsoft in 2014, and was rebranded as Microsoft Mobile Oy.

The business industry as a whole can be a very cutthroat environment, and generally speaking, to survive the first 5 years is usually the litmus test for future sustainability. Regardless of the knowledge of culture, custom, religion and other regional and local habits, the greatest “weapons” of salespeople are determination, tenacity and quick-wittedness. Salespeople have to continually adapt to an ever-changing environment, and fast-paced markets that are dictated by consumer demand and consumption. With the advent of the internet, this has further complicated some salespeople’s turnover, because the margins are further constrained. As much as Finland is a leader in the technological advances of the world, second best in the world with its workforce (Business Insider 2013), it must continually strive to integrate other cultures into its own society, to maximize the unlimited potential that it could represent in the global community.

### **6.2.2 Self-evaluation**

Writing this thesis, I have found that the most important legwork had been conducting the research, and finding the most appropriate theoretical material. Based on my professional background in my former role as a statistics interviewer with Tilastokeskus, it was rather a straight-forward application of my skills to conduct the interviews with the three professionals. The most difficult aspect of these interviews was to coordinate time scheduling, rather than the application of a standardized questionnaire to a group of individuals. I do believe that although I chose a good group of individuals for the interview process, it might have also been useful to interview some native-born Finnish salespersons for this process as well. This would have provided me a fully defined spectrum of the sales force in Finland, with which to draw more accurate conclusions. The “ulkomaalainen” style, biases my research method in some ways, due to it providing the outsiders perspective on Finnish sales markets. Another element I observed during the write-up of this thesis was that

there are some very clear-cut paths for work on the theoretical sections, but a more difficult one on the abstracts related to the research component. I believed that the best approach to the write-up of the research was to conduct interviews, because these individuals have an intimate pulse on the sales environment in Finland today, as well as experience of what elements and characteristics are required to thrive (based on their tenures in the Finnish business environment).

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Interview 1: Haaga-Helia University of Applied Sciences, Helsinki, Finland. Senior Lecturer, 19 Apr 2016.

Interview 2: ATOS IT Solutions and Services Oy, Espoo, Finland. Vice President - Nordic Sales, 20 Apr 2016.

Interview 3: Blue Nile Oy, Espoo, Finland. CEO, Sales, 25 Apr 2016.

## Appendices

### 1. Interview questions

Age

Profession

Education level

1. For how long have you been living and working in Finland?
2. Did you work in sales before coming to Finland? If so, please elaborate -
  - a) Which countries?
  - b) What kind of positions?
3. What, in your opinion, are the main differences of Sales Culture between Finland and other countries?
4. Your opinion on how has Sales Culture in Finland developed over the past 10-20 years?
  - a) Main changes?
  - b) Positive or negative?
5. What are the main challenges of Finnish sales people in a global Market?
6. What is your opinion or advice for Finnish sales professionals on how to be more successful?
  - a) Development ideas?
  - b) Is it feasible?