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Abstract

After a productivity decrease of established national export industries in Finland such as mobile and paper industries, innovative, smaller companies with the intentions to internationalize right from the start have been proliferating. For software companies early internationalization is an especially good opportunity, as Internet usage becomes increasingly homogeneous across borders and software products often do not need a physical distribution channel. Globalization also makes Finnish companies turn to unfamiliar export markets like Latin America, a very untraditional market for Finns. Relationships consisting of Finnish and Latin American business partners have therefore not been widely studied, especially from a new-age software company's perspective.

To study these partnerships, relationship marketing theory was taken into the core of the study, as its practice focuses mainly on establishing and maintaining relationships with stakeholders at a profit, so that the objectives of all parties are met, which is done by a mutual exchange and fulfillment of promises. The most important dimensions of relationship marketing were identified as trust, commitment and attraction, which were then focused on, as the study aims to understand the implications Latin American business culture has for the understanding, and hence, effective application of relationship marketing in the Latin American market. The question to be answered consecutively was how should the dimensions of trust, commitment and attraction be understood in business relationships in Latin America?

The study was conducted by first joining insights given by Latin American business culture literature with overall theories on the three dimensions. Through pattern matching, these insights were compared to empirical evidence collected from business professionals of the Latin American market and from the experiences of Finnish software businesses that had recently expanded into the market.

What was found was that previous literature on Latin American business culture had already named many implications for the relationship marketing dimensions that were relevant also for small Finnish software firms on the market. However, key findings also presented important new drivers for the three constructs. Local presence in the area where the Latin American partner is located was found to drive or enhance trust, commitment and attraction. High-frequency follow up procedures were in turn found to drive commitment and attraction. Both local presence and follow up were defined according to the respective evidence in the study. Also, in the context of Finnish software firms in relationships with Latin American partners, the national origins or the foreignness of the Finnish party was seen to enhance trust and attraction in the relationship.

Key words	Relationship marketing, Latin America, software business
Further information	





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Tiivistelmä

Suomen vienti on jatkuvassa murroksessa perinteisten vientialojen kuten matkapuhelin- ja paperiteollisuuden tuottavuuden laskiessa. Pienet, innovatiiviset yritykset ovatkin viennin ja kansainvälistymisen tulevaisuus. Erityisesti ohjelmistoyrityksille kansainvälistyminen on erinomainen mahdollisuus, sillä internetin käyttötavat yhdenmukaistuvat jatkuvasti yli kansallisten rajojen, ja ohjelmistopohjaisia tuotteita on usein helppo viedä uusille markkinoille ilman fyysistä toimitusketjua. Globalisaatio saa yritykset lisäksi kiinnittämään huomiota suomalaisille ennestään vieraisiin markkinoihin kuten Latinalaiseen Amerikkaan. Suomalaisten ja latinalaisamerikkalaisten välisiä yrityssuhteita on näin ollen tutkittu vähän, erityisesti pienten kansainvälistyvien yritysten näkökulmasta.

Näiden suhteiden tutkimiseksi valittiin suhdemarkkinointiteoria, sillä se keskittyy kannattavien suhteiden luomiseen ja ylläpitoon kumppanien välillä niin, että osapuolien tavoitteet täyttyvät lupauksien toteuttamisen kautta. Teoriaa lähestyttiin tunnistamalla suhdemarkkinoinnin tärkeimmät ulottuvuudet. Nämä olivat luottamus, sitoutuminen ja vetovoima, joihin tutkimuksessa keskityttiin, jotta voitaisiin lisätä ymmärrystä suhdemarkkinoinnin ymmärryksen ja tehokkaan käytön sovellutuksista latinalaisamerikkalaisessa kontekstissa. Kysymys, johon haluttiin vastata, oli näin ollen: miten luottamus, sitoutuminen ja vetovoima tulisi ymmärtää liikesuhteissa Latinalaisessa Amerikassa?

Tutkimus toteutettiin yhdistämällä latinalaisamerikkalaisen yrityskulttuurikirjallisuuden näkemyksiä ulottuvuuksista niitä koskeviin yleisiin määritelmiin. Esiin nousseita sovellutuksia verrattiin Pattern matching -tekniikalla sitten empiiriseen aineistoon, joka kerättiin haastatteluissa Latinalaisen Amerikan markkinoiden ammattilaisilta sekä alueelle vastikään kansainvälistyneiltä suomalaisilta ohjelmistoyrityksiltä.

Johtopäätöksissä todettiin, että Latinalaisen Amerikan yrityskulttuuria käsittelevä kirjallisuus on monelta osin käsitellyt suomalaisten ohjelmistoyritysten kannalta relevantteja suhdemarkkinoinnin sovellutuksia, mutta keskeiset löydökset osoittivat myös uusia ajureita käsitellyille ulottuvuuksille. Paikallisen läsnäolon latinalaisamerikkalaisen kumppanin toiminta-alueella todettiin tehostavan luottamusta, sitoutumista sekä vetovoimaa. Lisäksi jatkuvasti ja usein tapahtuvien jälkiyhteydenpitotoimenpiteiden todettiin tehostavan sitoutumista ja vetovoimaa. Sekä paikallinen läsnäolo että jälkiyhteydenpito määriteltiin empiirisen todistusaineiston perusteella. Lisäksi kansallisen alkuperän todettiin vaikuttavan positiivisesti luottamukseen sekä vetovoimaan suomalaisten ja latinalaisamerikkalaisten välisissä suhteissa.

Asiasanat	Suhdemarkkinointi, Latinalainen Amerikka, ohjelmistoliiketoiminta
Muita tietoja	





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RELATIONSHIP MARKETING IN LATIN AMERICAN CONTEXT

**Implications for small Finnish software companies in Latin
American B2B partnerships**

Master's Thesis
in Marketing

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1 INTRODUCTION

1.1 Latin America in the horizon

A continuous technological revolution is sweeping over business as we know it, and along it, the shape of Finnish exports is also stirring. After a decrease in productivity of established national export industries in Finland, such as mobile and paper industries, there has been an apparent boom in new and innovative, smaller companies springing up with the intentions to take over the world right from the start. Software is especially easy to bring to foreign markets, as Internet adoption continues to increase, and there is often less need for physical distribution. The ever-broadening globalization also makes companies to turn their heads to unexpected directions.

Latin America is not a traditional export destination for Finnish companies, but in the globalizing world more and more Finnish companies are becoming aware of Latin American opportunities and gazing towards the market. Latin America has the fastest growing Internet market in the world (Latin America Digital Future in Focus 2013). Latin America now accounts for 10% of the global mobile market in terms of revenues, and the market size of mobile devices and the hiring of mobile services reached 107 billion dollars per year in 2013 (Mobile economy Latin America 2014, 7). The region's countries are only now building transportation and energy infrastructure that have already been built in the developed world, nationwide wireless networks are being installed, and there is strong demand for environmentally friendly clean tech solutions (Manninen 2013).

Latin America is also a culturally diverse region, and as more and more Finnish companies are diving into unfamiliar waters, cultural bumps are bound to be hit on the way. Emerging economies not only provide remarkable business opportunities that export-capable firms are able to employ but they also create challenges, for example because of fragmented markets, unfamiliar organizational culture, and unpredictable norms. As a result, many firms lean towards the option of a local import intermediary to distribute their products in emerging markets such as Latin America more often than in other markets. Much of the prior work focusing on the relationships between exporters and their immediate contact point in the emerging market is centred around the economic relationship of exporter-intermediary and treats the intermediary more as a passive "task-taker". (Xufei Ma 2006, 24.)

However, business between businesses relies first and foremost on relationships, and this relationship view is being embraced by academics in the relationship marketing paradigm that each day gains popularity in the field of marketing, overriding space from previous transaction-oriented paradigms. Grönroos (1994) defines relationship

marketing as “to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfilment of promises”. Relationship marketing promotes value being co-created in the on-going cooperation between two parties (Grönroos 2007, 28), and mere technological, geographical or knowledge-based bonds should not be the only factor for two parties to have contact with each other (Grönroos 2007, 35). Instead, the concepts of trust, commitment and attraction are the most fundamental to the practice of relationship marketing (Grönroos 2007; Halinen 1996, 58).

However, it is still not clear how these concepts function in a relationship, possibly because other situation-dependent variables, like culture (Grönroos 2007, 40). Latin American business culture has many unique features, and the purpose of this thesis is to study the dimensions of relationship marketing in a Latin American context and to find out what possible implications the context brings into relationships between early-globalizing Finnish companies, in this case software companies, and their Latin American partners. Hence it attempts to answer the question of

What implications does the understanding of relationship marketing in Latin American business culture impose on early-globalizing Finnish software companies in their relationships with Latin American partners?

As the concepts of trust, commitment and attraction are the most fundamental to the practice of relationship marketing, the research question is divided into the following research problems:

- How should trust be understood in Latin America?
- How should commitment be understood in Latin America?
- How should attraction be understood in Latin America?

To achieve its goal, the study re-examines these important relationship marketing concepts through 9 central themes of the Latin American business culture to find the implications relevant for Finnish companies in their newly established Latin American partnerships (see Figure 1). The Latin American cultural themes by Osland, de Franco and Osland (2007) constitute as: (a) *simpatía*, personal dignity, and classism; (b) *personalism*; (c) *particularism*; (d) *trust*; (e) *collectivism* and ingroup/out-group behaviour; (f) *paternalism*; (g) *power*; (h) *humour and joy*; and (i) *fatalism*.

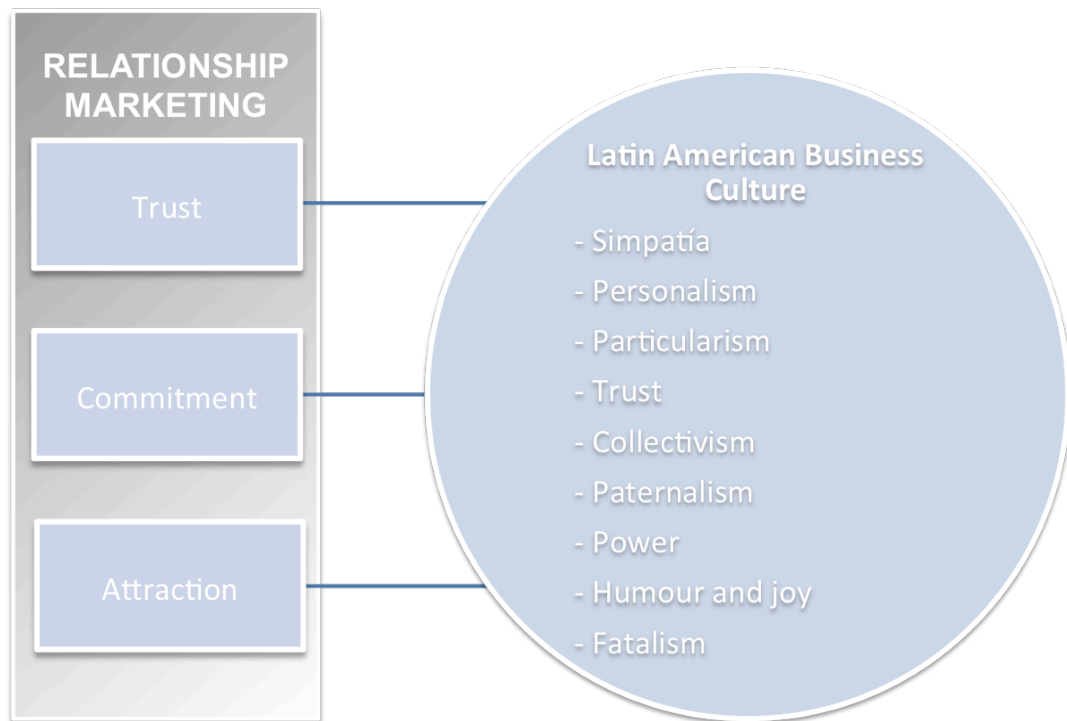


Figure 1 – Relationship marketing in Latin American business culture

The expected scientific contribution is a contextual application of the three most important dimensions of the relationship marketing theory. The universal theory on these constructs is specified to the context of Latin American business culture, which enables the theory to become more accurate and precise when applied to this specific context.

The implications that the Latin American business culture has on company operations have been examined in the past especially from the expatriate manager's perspective (see for example Osland et al. 2007). But since internationalization is no longer a privilege for only large MNCs and the number of small and lean born global firms is on the rise, it is justifiable that these implications were studied from their perspective. The managerial implications of the study also include recording experiences and silent information from Finnish companies on how to prepare for and build lasting and functional relationships with a Latin American counterpart.

1.2 The study

The method used in this thesis is a collective case study, which is sometimes used interchangeably with multi-case study. In this approach a number of cases representing the same phenomenon are studied jointly, in this case Finnish technology companies expanding into Latin America, and each case should have a voice in its similarity or

dissimilarity compared to the rest of the cases. The research method aims at providing insight by identifying both what is common and what is particular about a specific case. (Stake 1994, 237.) The cases are selected because it is believed that their examination will lead to better generalizations about a larger collection of cases (Stake 1994, 238).

As the technique of analysis, pattern matching is used. It compares the arising patterns in empiric results to the patterns in existing literature. This is done on two different levels of analysis in this study, to add to the understanding of the chosen context: Latin American business culture. Therefore, two different sets of interview data were gathered: preliminary interview data and case interview data. Finnish informants were chosen in order to eliminate the misunderstandings derived from language in the data analysis phase. This also aims at making the research results more relevant in the point of view of the Finnish company exploring the possibility to engage in Latin American markets. Transcriptions were later translated into English.

The thesis is structured as follows. First, the theory part: the differences of relationship marketing in relation to transactional marketing are explained and the term is given a short history and background.

Then, the important dimensions of relationship marketing are introduced and discussed. These dimensions are examined one by one in the Latin American context in the light of former literature on Latin American business culture. Tables on the found implications are constructed.

Next, the empirical information is brought in to the picture. This is done on two different levels of analysis. First, preliminary interviews conducted with experienced professionals on Finnish-Latin American business are analysed and compared with theoretical information, examining relationship marketing implications for Finnish companies in a more general form. Second, the conclusions obtained through the first level of analysis are compared with results from 3 cases representing Finnish software companies that have expanded into the Latin American market within the past 4 years, bringing the analysis of relationship marketing implications that much closer to real life events.

Finally, after the second layer of analysis, final conclusions for relationship marketing implications are drawn, presenting the contextual application for relationship marketing theory.

Each part of this thesis from the literature review to the conclusions has been divided between the three dimensions of relationship marketing. The paper can be read from start to finish as whole, or it is also possible to focus on one dimension at a time by reading the corresponding part in each chapter.

2 LITERATURE REVIEW

2.1 Relationship marketing

The marketing paradigm started to shift in the 1980's and 90's from a transaction-based view to a relationship-based one (Coviello et al. 1997, 501–504), although the relationship orientation is originally probably as old as the trade of goods itself (Grönroos 2007, 25). Historically, when economies were much smaller, even the size of one village or town, the emphasis was naturally on relationships, when people personally knew the salesmen who provided them with what they needed. After the Industrial Revolution all that changed, as mass production entered into the picture and competition for mass manufacturers was almost non-existent. The middlemen in the production process gained power and the direct link between producer and customer was broken. Demand was greater than supply as a rule, which made mass marketing effective as all marketers needed to do was to make people aware of their products. The situation is obviously now very different. Global markets are highly competitive and oversupplied and competing solely on price is no longer profitable, which makes mass marketing not the best strategy anymore. Instead, it is increasingly important to keep the existing customers, as customers generally have become more informed about options and demand more from companies. Thus we have only started to become closer to the initial setting, and relationships between business parties and the interactions that occur between them are placed in the core of marketing. (Grönroos 2007, 25–26.)

Grönroos (1994) concluded that the former definitions of marketing based solely on short-term economic transactions in a monopolistic environment dominated by large multinational firms were not capturing the changing environment of marketing objectives. Transaction marketing presumes value to be tied to the ready-made product, which is then exchanged for money (Grönroos 2007, 28). By the development of theories like the network approach and service marketing heavy evidence has been presented against the 4P's marketing mix paradigm that has reigned over marketing text books for decades (Grönroos 1994). What would be more accurate a description of present-day reality as well as the core of a new marketing paradigm is relationship marketing.

Grönroos (1994) defined relationship marketing as “to identify and establish, maintain and enhance and when necessary also to terminate relationships with customers and other stakeholders, at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfilment of promises”. He states that relationship marketing promotes value being co-created in the on-going cooperation between two parties (Grönroos 2007, 28). Mere bonds, like technological, geographical

or knowledge-based ties, should not be the only factor why two parties decide to stay in contact with each other (Grönroos 2007, 35). Instead, “a relationship has developed when a customer perceives that a mutual way of thinking exists” between two business parties. This feeling obviously does not develop by itself, but it has to be earned in the way relationship marketing is implemented. (Grönroos 2007, 36.)

Relationship marketing has yet to receive one comprehensive definition, and the term has been applied in a multitude of ways in marketing literature (Coviello et al. 1997, 502). Although Grönroos’s definition is not the only or a universally agreed one, it is said to be the most acceptable (Theron & Terblanche 2010, 386).

While the business-to-consumer companies can especially benefit from adopting relationship marketing mind-set as a competition asset (Evans & Laskin 1994, 440), the business-to-business commerce has relationship marketing in its core. Business-to-business transactions are by nature more dependent on the relationship between the parties of the transaction, as the transactions are less frequent and usually have more money and more goods at stake. It is no wonder that relationship marketing is an inseparable part of B2B relationships. Relationship marketing essentially aims to promote the following 4 positive outcomes for the firm. If done wholeheartedly, relationship marketing will result in 1) higher customer satisfaction, 2) greater loyalty, 3) better quality perception by customers, and 4) increased profits (Evans & Laskin 1994, 440). The wholeheartedness requires the firm to integrate the relationship marketing mind-set deeply into its strategic planning process, and have constant communication with the partner (Evans & Laskin 1994, 440), to ensure both parties benefit, and what is called a win-win situation is in the end reached.

B2B has relationships at its core, which makes it even more important to abandon transaction marketing and ensure the mutual way of thinking, to successfully implement relationship marketing. Relationship marketing can be broken down into different dimensions that are crucial in the successful implementation.

As relationship marketing is still searching for a comprehensive definition, relationship marketing literature offers wide-ranging perspectives on which relational constructs are most active in mediating the effectiveness of relationship marketing on outcomes (Palmatier et al. 2006, 136). This means that it is less than straightforward to point out the most evident relationship marketing dimensions to employ in the study.

Several actors have attempted to make sense out of the moulding academic practice of relationship marketing. Agariya and Singh (2011) have analysed the different definitions of relationship marketing by citation frequency. The top 10 list produced in the study is made up as follows: 1) Trust, 2) Satisfaction/experience, 3) Loyalty, 4) Commitment, 5) Service quality, 6) Communication, 7) Empathy/customer orientation, 8) Relationship quality/value/duration, 9) Reciprocity, and 10) Culture (Agariya & Singh 2011, 229).

According to the analysis, the trust construct was clearly at the top of the list in defining the term, as well as experience, an important part of trust formation (Agariya & Singh 2011, 212–213). Loyalty and commitment come next in the listing, while attraction is not explicitly listed. However, several constructs that make up attraction are present in the top 10 listing, such as communication (Ellegaard 2012), relationship value (Harris et al. 2003, 9; Dwyer et al. 1987; Hald 2009) and reciprocity (Ellegaard 2012, 1223).

Many previous studies have also concentrated on the role of trust and commitment in business relationships. For example, Morgan and Hunt (1994) depicted the closely intertwined roles of trust and commitment in their Commitment-Trust Theory of Relationship Marketing, where the constructs are obviously declared central in the relationship marketing process.

What is more, Wilson (1995) suggests several dimensions are important during the entire relationship, but not all at the same time. This means that the important relational constructs have both active and latent phases in the course of the relationship. However, there is fairly scarce knowledge about the exact functioning of the construct during the relationship life cycle, the process has not yet been thoroughly studied.

Regardless of this, some studies have indeed been conducted that shed light on the matter. This study concentrates specifically on the establishment phase of successful Finnish-Latin American business relationships. A study of Theron and Terblanche (2010) found that some dimensions are more important in establishing relationships. Their results indicated that trust, commitment, satisfaction and communication are the most important dimensions. Others have suggested slightly deviating results, for example Wilson (1995, 340) suggests commitment to be an active construct only in the later, more advanced stages of the relationship.

However, Grönroos (2007, 40) has identified trust, commitment and attraction as playing an important role in relationship marketing literature. Halinen (1996, 58) has identified the same three relational bonds to be of high importance in B2B agency-client relationships. Because of the two abovementioned, precise listings, and the fact that the three constructs in question appear in nearly all broader listings as well, *the constructs of trust, commitment and attraction were chosen to be examined in this study.*

Grönroos (2007, 40) suspects that it is still not clear how these concepts function in a relationship, and a reason for this might be other context-dependent variables, such as culture. Agariya and Singh (2011, 205) summarize what many prominent authors have recognized: different defining constructs of relationship marketing relate to different contexts, such as industrial and national contexts.

In this study I apply the constructs in a Latin American setting, and attempt to find out how trust, commitment and attraction, essential to relationship marketing, should be understood in Latin American business culture. The few studies tapping on context-

specifics have mostly focused on examining how the relative importance of the relational constructs of relationship marketing changes in different contexts. Therefore, studying how the *meaning* of the constructs varies between contexts is a fairly novel perspective.

Also, previous literature on the Latin American business culture, albeit abundant, concentrates on describing the culture from a management perspective, whereas the applications it provides for example for certain marketing theories are difficult to find, which is something this study is attempting to contribute to as well.

As the means to study the relationship marketing dimensions in the chosen context, 9 bearing themes of Latin American business culture by Osland, De Franco and Osland (2007) are employed. The three chosen dimensions of relationship marketing will be theoretically examined together with these 9 themes in cross tables, in order to figure out how the cultural context affects the meaning of the constructs.

The 9 themes of Latin American culture by Osland et al. (2007) are called 1) *simpatía*, 2) personalism, 3) particularism, 4) trust, 5) collectivism or in-group/out-group behaviour, 6) paternalism, 7) power, 8) humour and joy, and 9) fatalism.

Simpatía refers to the tendency of Latin Americans to both foster warmth, respect and caring in all their relationships and avoid open conflict at all cost in interpersonal interaction (Osland et al. 2007, 110). In business this translates to very cordial attitude and response for example towards initial contacts that still does not necessarily indicate deeper interest but only the willingness to be polite (Paavilainen & Wilska 2001, 305).

Personalism is the construct for the desire of Latin Americans to feel they are special as a person and the intention to always give other people personalized, individual attention. Also in the business world Latin Americans want to please their contacts which seems like them working for or with someone is mostly a personal favour and done out of loyalty. (Osland et al. 2007, 111). Turning this fact around, it means that nothing will be done before the personal loyalty is established and a lot of getting-to-know-one-another needs to take place before this happens (Paavilainen & Wilska 2001, 306).

Particularism is the opposite of universalism, and translates into the common Latin American custom of making exceptions for your personally known contacts. Essentially it means if you mean something to someone, you are in the position of asking him or her to make an exception for you. This is said to be the level where things are really influenced, which means it is a necessity to know the right people. (Osland et al. 2007, 112.)

Trust is important in Latin American culture, and Latin Americans only trust people they know personally or that someone they know personally has recommended to them. Turned around this means that people do not immediately trust individuals outside of their personal network, and that they will be fairly suspicious towards strangers also in a

business context and potentially impose strict controls in order to reduce their perceived risk in an untrusted relationship. (Osland et al. 2007, 112.)

Collectivism, also characterised as in-group/out-group behaviour, refers to the Latin American tendency to include or exclude people from their in-group – the group or groups they see themselves a part of. Latin Americans are socialized to give their loyalty to their in-groups such as family and distrust people that are not a part of them. (Osland et al. 2007, 113.) A relationship is only functional when the Latin American counterpart perceives their partner to be “one of us” instead of “one of them” (Bianchi & Saleh 2011).

Paternalism refers to the male-dominated, highly hierarchical organization of the Latin American society, which in business basically means that bosses and their macho or masculine qualities are very important and delegation is less frequent (Paavilainen & Wilska 2001, 319–320; Acuff 2008, 154). The next theme, power, is also very much linked to the high appreciation of individuals in higher position like bosses who are many times expected to have full control, or the power vacuum is swiftly pursued by competitors; this means that power has to be wielded very baldly and explicitly (Osland et al. 2007, 114–116).

Humour and joy are pervasive and very pleasant qualities of the Latin Americans. In a culture that shuns from all public loss of face, humour is a way to give constructive feedback in the form of pointed jokes. (Osland et al. 2007, 116–117.)

Lastly there is fatalism, which refers to Latin Americans believing more in external control, meaning that things are essentially in the hands of fate and not subject to an individual's own control (Osland et al. 2007, 117). Organizing and schedules are not in the top skills of Latin Americans, but it is useful to keep in mind that what might seem like an utter chaos can, however, be a working application of organizational style for the specific business (Paavilainen & Wilska 2001, 321). However, there is evidence of the fatalistic nature of Latin Americans giving way to the more rigorous organizational requirements of global competition (Osland et al. 2007, 117).

In the next chapter the three relationship dimensions are presented one by one, and the former nine themes of Latin American business culture are examined in relation to the dimensions to see what insights this discussion presents for the Latin American understanding of trust, commitment and attraction.

2.2 Relationship marketing dimensions

2.2.1 *Trust*

Trust has many forms, but it can be defined, for example, as “one party’s expectations that the other party will in a given situation behave in a certain predictable way” (Grönroos 2007, 40). One of the most fundamental definitions for trust is Deutch’s (1958) version: “the extent to which a firm believes that its exchange partner is honest and/or benevolent”. To grasp the many dimensions the concept has, trust in business context has been divided into four categories by Lane and Bachman (1996): 1) generalized trust, which is derived from socially constructed norms or what can generally be expected to happen following the way the world usually works; 2) system trust, which is the confidence in laws, regulations and contracts; 3) personal trust, which is based on the human tendency to have confidence in another person whose personality conveys predictability, and which translates into trusting the company the person represents; and 4) process-based trust, which is derived from positive experience in doing business with the same party for a period of time. Despite what category motivates trust in a given situation, the existence of trust always diminishes the risk of unexpected behaviour (Grönroos 2007, 41).

The concept of interpersonal trust has been divided further into two important parts: cognitive trust and affective trust (Dowell et al. 2015) and can be applied to inter-firm relations as well. The distinction is important as the two do not always go hand in hand: cognitive trust can sometimes exist without there being much affective trust, an vice versa. Cognitive trust is based on the objective cues for trust that are derived from observable facts, such as a certificate of excellence, or past personal experience or a recommendation of someone’s trustworthiness. Affective trust is based on general relationship norms and intuition, such as someone introducing oneself in an assertive way and thus creating a perception of trustworthiness. Hence it is important in certain situations to identify the source of trust. (Dowell et al. 2015, 120–121.)

Halinen (1996, 61) summarizes earlier literature, and suggests that trust has three basic preconditions: 1) past performance, which refers to the same things as process-based trust by Lane and Bachman (1996); 2) common clarified interests; and 3) personal relationships and two-way communication. All of these point to the fact that if the other partner is seeking a common interest and the wellbeing of the other, and they have confidence that the partner has the objective ability to do so, trust can be formed (Halinen 1996, 60–61). Person-to-person interaction and social bonds seem especially important as the communication of all of the preconditions mentioned above happens incrementally in day-to-day interactions and personal friendship (Thorelli 1986, 41).

This is only natural, because it is hard to perceive for example the true intention to seek a common interest from official contracts or paper work, which can say anything including things that are not true.

However, differing views exist, including claims that social bonds are not a prerequisite for trust and thus not necessary. For example, Ford (1989, 826) states that product quality and predictability are the basis for trust, and if the product does not fill the agreed requirements or consistency in deliveries falls behind in any way, the trust is broken. Here a sharp contrast between manufacturing and service marketing paradigms can be observed (Halinen 1996, 61). However, this side of the story will be considered as well, as international manufacturing is in no way inferior to international trade in services. Also Sako (1992) has discussed the existence of three types of trust in inter-firm relationships. He claims contractual trust, which refers to both partners keeping with the contract and supporting ethical conduct, to be the main basis for all kinds of trading relationships. Next comes competence trust referring to technical and managerial promises being kept and standards met. Thus Sako (1992) is also implying that more explicit and contractual cues are important in communicating trust. However, his third trust type, goodwill trust, is more humane, referring to mutual expectations and open commitment between partners.

Service marketing's view on the matter highlights personal credibility or trustworthiness as the basis for trust in the firm, especially in business-to-business context. Certain personal relationships might be of crucial importance to the trust between two business entities, and if these relationships are broken when one representative is for example transferred to different duties, it can be detrimental to the whole business relationship. (Halinen 1996, 62.)

2.2.2 *Trust in Latin America*

This section studies the concept of trust in Latin American culture in the light of existing literature. Cultures in the region have generally a fairly low level of trust in anyone who is not a close friend or part of the extended family (Osland et al. 2007, 112). It is even said that all business is characterized by huge opportunism to exploit anyone with too little power or information (Paavilainen & Wilska 2001, 310), and the perception of human nature is seen inherently as evil rather than believing in good intention (Osland et al. 2007, 112). This can partly be seen as a result of an inefficient legal system in many of the region's countries, as people and organizations are less worried about sanctions being implemented (Paavilainen & Wilska 2001, 310). This is why it is clear that in Latin America the strongest generator of trust is the personal relationship, which can also be concluded from the existing literature.

Examining the construct of trust through the theme of personalism, or the desire to feel special, it can be said that honesty and benevolence will not be perceived from anyone without knowing them personally, which is sometimes referred to as the “amigo culture”. Amigo culture can at first glance look like a type of nepotism, but in reality it is networking at its purest, by doing business with those you trust (Paavilainen & Wilska 2001, 305). The “amigos” are trusted with delicate business issues as well as personal matters, but practically nothing will happen before the long process of being accepted as one has been concluded (Paavilainen & Wilska 2001, 306). Therefore, process based trust, derived from the positive experience of doing business with the same party for a period of time (Lane & Bachman 1996), is important but takes a long time to establish.

When a personal relationship is the only way to establish trust, commencing a relationship with someone previously unknown can be troublesome. Primarily this trust gap can first be crossed through networking. The words “es mi amigo” – “he/she is my friend” – are a valuable recommendation to reach networks that are otherwise unreachable due to the lack of contacts in that specific network (Paavilainen & Wilska 2001, 305).

The recommendation is a start, but establishing a personal relationship only this way is hardly the whole story. The initial trust gap is filled through collectivism, to which Latin Americans are socialized, that refers to the tendency to classify people between in-groups and out-groups, of which the in-groups are the trusted group (Osland et al. 2007, 113). In a setting of meeting a new person, the Latin American counterpart will likely invest a lot of time in information gathering about the new person in order to determine whether he or she belongs to an in- or an out-group. Latin Americans evaluate indicators of trust and loyalty in business settings by asking a lot of questions about what seem to be very non-business-related things. This can be done in social events such as lunches or dinners, and it aims to identify whether they have enough cultural similarity and personal likability or not to establish a common basis for group membership. (Robles et al. 2015, 126.)

The bigger the deal, the more numerous the social events undelaying the business discussions and the more verbal idling foregoing the actual matters, but if after all this the business is still being discussed, enough common ground and hence: trust, can be said to have formed (Paavilainen & Wilska 2001, 306). The common ground necessary to enter the in-group could for example be economic, social, political or family links (Robles et al. 2015, 126). Trust is also immediately greater when you can speak the local language (Paavilainen & Wilska 2001, 331). Cultural similarity has been found to have a significant and positive correlation with trust towards a foreign business partner (Bianchi & Saleh 2011, 263) so the in-group behaviour easily fosters trust among individuals (Osland et al. 2007, 113).

Talking about the construct of trust in Latin America, it is advised to notice that the extent of the effect of collectivism varies between countries. Most Latin American cultures are, however, described collectivist. (Osland et al. 2007, 113).

The cultural theme of *simpatía* also reflects how trustworthiness is perceived in Latin America. Most importantly, even though trust is built primarily through personal relationships, one cannot assume trust being conveyed in the public persona of someone, which is, without exception, pleasant and nice. *Simpatía* refers to the tendency of warmth towards others, politeness and avoiding conflict at all cost while in public (Osland et al. 2007, 110), which is, however, rarely depicting the actual attitude of someone towards someone else, their ideas or their personality in general. Therefore, placing trust on someone solely based on public or group appearances, or first reactions is not enough, and private, individual discussions are necessary to be sure about the other person (Osland et al. 2007, 111). Also, while positive feedback is widely distributed, anything negative is pranced around, avoided, and hidden sometimes even by straight-up lying, and it is considered rude to say 'no' to people's face (Paavilainen & Wilska 2001, 332). Instead, indirect and implicit cues are given in a non-confrontational manner, that allow the other to perceive negative feedback without putting it out and risking loss of face, which is especially challenging to follow for example as a foreigner (Robles et al. 2015, 128).

The general trust of Latin Americans or their trust in the way the world usually works seems to best be described by the cultural theme of fatalism. Fatalism is manifested in the common attitude of Latin Americans that things are more reliant on fate and less controllable by individual effort (Osland et al. 2007, 117). People in Latin American cultures have the basic assumption that all things will fall into place, only that there is no way of knowing exactly how just now. This leads to the fact that people do not feel the need to control too many things, and that a seemingly chaotic situation does not mean it is not under control just because the force keeping everything together is not visible or tangible, also in business organizations (Paavilainen & Wilska 2001, 321). This is manifested for example in the lack of quality management systems or explicit standards in organizations, because trust is based on people and not deliveries (Paavilainen & Wilska 2001, 322), in contrast to suggestions by for example Ford (1989) and Sako (1992).

It has been found that environmental volatility in business, such as difficulties in payments due to external reasons, has no significant effect on a Latin American (in this case Chilean) partner's trust towards their supplier (Bianchi & Saleh 2011, 263). Fatalism results in people blaming the circumstances rather than making people take responsibility of the situation. Similarly, decisions are often made not based on careful evaluation of the facts, but on intuition and emotional content, which results in trust

being placed somewhere else than solely on logical outcomes of carefully delivered decisions (Paavilainen & Wilska 2001, 321).

On the other hand, Latin Americans themselves create a great deal of volatility themselves by engaging in the common custom of particularism, or making exceptions for personal contacts. Particularism creates uncertainty in the environment, as people in organizations may act in unpredictable ways while pleasing their connections, allegiances and reciprocal debts to unexpected third parties. (Osland et al. 2007, 112). This deviates strictly from Grönroos's (2007, 40) definition of trust.

The cultural theme of power is not as clearly reflected on the perception of trustworthiness in Latin America, but there are a few considerations. The show of authority and the recognition of authority by others are naturally rooted in the management infrastructure in Latin America (Christiansen 2012, 211). According to Osland and colleagues (2007, 114–116) expatriates may find it necessary to use power more obtrusively than they would in other cultures, at least in certain situations, in order to be perceived in control. Otherwise the power vacuum is swiftly pursued by rivals.

This can be seen as an implication of affective trust, or basing trust on general relationship norms and intuition about a person judging by for example their behaviour and assertiveness (Dowell et al. 2015, 120–121). It would seem that an explicit way of demonstrating authority is what drives the intuition of Latin Americans towards perceiving someone as trustworthy.

Table 1 – Latin American theoretical implications for the construct of trust

Theme	Theoretical implications for the concept of trust
Simpatía	Trust is <i>not</i> conveyed in the public persona that is always positive and nice; Trust is <i>not</i> understood through direct words
Personalism	Trust exclusively through personal relationships; “Amigo culture”; Networking and recommendations
Particularism	Uncertainty due to common unexpected third-party connections diminishes trust
Trust	Perception of human nature is seen inherently as evil rather than good; Generally a fairly low level of trust in people who are not family or close friends; Process-based trust: things only start advancing when a certain amount of trust is built
Collectivism	Evaluation of in-group/out-group membership through extensive information gathering in numerous social events; Cultural similarity found to have a significant positive correlation with trust; Trust is immediately greater when you know the language
Paternalism	-
Power	Demonstration of authority a way to provoke affective trust
Humour and joy	-

Fatalism	General trust: things are more trusted to fate and less controllable by individual effort; No significant impact on trust from volatile outer conditions, the circumstances are blamed instead of personal errors; Decisions often based on intuition and emotional content, not on the evaluation of facts
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2.2.3 *Commitment*

Commitment has been linked strongly to functional relationships and used as a relationship marketing dimension (for example Theron & Terblanche 2010, 388), whereof the concept has many different definitions. The motivation that makes a party want to do or continue to do business with another party is called commitment (Grönroos 2007, 41). Moorman, Deshpandé and Zaltman (1992, 316) define commitment as an enduring desire to maintain a valued relationship. Essentially the more extra trouble is put into the business processes with a specific partner, the higher the commitment to that partner (Grönroos 2007, 41).

Commitment is the desired, most developed state of the relationship that is being pursued with relationship marketing. Commitment can be viewed as a function of behaviour, when individuals and business entities continuously make decision and actions that enforce the relationship over time, which can be observed by the other party. Or it can be viewed as attitudinal, when the two parties have the willingness to maintain and advance the relationship with a future orientation, and this is somehow communicated to the other. (Halinen 1996, 62.)

Dwyer, Schurr and Oh (1987, 19) especially emphasize the behavioural part of commitment. They present three criteria of behavioural commitment according to the social exchange view. The first is input: as a sign of commitment parties must exchange economic, communicational and/or emotional inputs in the relationship, the two latter inputs fundamentally referring to interpersonal relationships. The second is durability: with their actions the parties must communicate to each other, that despite the explicit content of the relationship changing over time, the willingness to continue is still there. Lastly there is consistency, which means that the flow of inputs between the parties should be relatively stable, as very fluctuating input exchange can result in difficulty to predict the outcomes of the relationship.

According to Ahmed (2010, 48), types in business-to-business relationships the most relevant types of commitment seem to be affective and calculative commitment. Affective commitment is characterized as commitment with the underlying motive to maintain the relationship is “a generalised sense of positive regard for, and attachment to the other partner” (see for example Geyskens et al. 1996, 304). That is, the key motivation for continuing the relationship originates from the managers liking to do

business with the partner (Ahmed 2010, 48). This side of commitment is therefore very much linked to interpersonal aspects.

In contrast, calculative commitment is derived from the “need to maintain a relationship given the significant anticipated termination of switching costs associated with leaving” (Geyskens et al. 1996, 304). This need is produced in cold, rational calculations of costs and benefits based on previous experience and available alternative partners. Calculative commitment is characterized as more of a negative commitment (Geyskens et al. 1996, 305), but it is a powerful motivation for continuing the relationship, if its benefits were estimated higher than the costs (Ahmed 2010, 48).

Relationship-specific investments are an example of pure economic inputs that lead to high commitment, as the investments cannot be transferred to any other relationships. Parties may also be committed or tied together by contractual terms such as legal bonds that cannot be escaped, which is not necessarily a voluntary situation and may lack real commitment. Social pressures may also be the force stimulating commitment, as the people in the two engaging business entities may be tied by social norms or pressured to continue the relationship, so commitment does cover both economic and social aspects. (Halinen 1996, 63.)

2.2.4 *Commitment in Latin America*

This section studies the concept of commitment in Latin American culture context mirrored to previously presented literature about the concept in general.

Unlike trust, commitment is said to be more naturally embedded and communicated in Latin American cultures, and the level of commitment can occasionally even astonish. Commitment, like friendships, is very durable once established (Osland et al. 2007, 111), pointed out as important commitment criteria by Dwyer et al. (1987, 19). But exactly like trust, the personalistic aspect of Latin American business culture means that commitment is fixed on people rather than on formal organization structure or explicit job descriptions. Closely intertwined with the concept of particularism, this means that even though it is the formal obligation of a company’s staff to work for a specific client, the client will not be made a priority, if the appropriate people do not feel personally obliged to do a favour for their counterparts in the client company (Osland et al. 2007, 111). The extra trouble described by Grönroos (2007, 41) expresses itself in the common Latin American discourse of all business interaction including transactions being perceived as favours to a friend that you are expected to produce, rather than obligations derived from a contract (Acuff 2008, 155).

Commitment being fixed on people rather than on companies or contracts is further highlighted with the Latin American embedded cultural trait of fatalism. Latin

Americans have a common perception that things cannot sometimes be fully controlled and there is no point in even trying to do so (Osland et al. 2007, 117). In Latin American organizations calendars and schedules are rarely in practical use, and things are simply done in a way that seems appropriate at any given time, without much organizing or benchmarking (Paavilainen & Wilska 2001, 321). Commitment is therefore not necessarily perceived through deliveries or met deadlines, because, as a norm, people feel that these things are a part of external control, in other words less in control of people and more controlled by fate. What is, however, perceived to be in control of individuals is the management of an interpersonal relationship, which then becomes a much more important indicator of commitment. (Osland et al. 2007, 117.)

Nevertheless, there is already ample evidence that the growing pressure of the global market economy is changing the situation also for Latin American companies and organizations. Latin managers are increasingly adopting views about the necessity of measuring and planning business activities, so fatalism is no more as overbearing a characteristic of Latin American business culture as it has been in the past, although it is still advisable to prepare for remaining traces. (Osland et al. 2007, 117.) In addition, in a study conducted in Chile it was found that environmental volatility poses a negative effect on relationship commitment to a foreign supplier (Bianchi & Saleh 2011, 263), which suggests Latin Americans do have high tendencies for uncertainty avoidance when it comes to external factors, instead of relying on fate.

According to Christiansen (2012, 211) the communication of commitment can clearly be observed in daily relations in Latin America through friendly gestures and informal interaction or, of course, the absence of the same. Small gestures of friendship are how on-going loyalty and commitment are demonstrated and how it they should be demonstrated, even though they may feel like seemingly meaningless social norms and etiquettes in the culture built on *simpatía* and general niceness. In this way Latin American business culture performs well in producing the commitment cues emphasized by Dwyer and colleagues' (1987, 19) commitment criteria, making the existence or the absence of commitment easily observable.

As commitment is essentially directed to individuals and not companies or contracts, collectivism or the in-group behaviour of Latin Americans leads to commitment being established more easily and profoundly between people perceivably from groups with close cultural similarity (Bianchi & Saleh 2011, 263). Therefore, as with trust formation, the more a Latin American has in common with their counterpart, the easier they will commit to the partner and eventually feel personal loyalty and obligation to do favours to them, even if the favours constitute of no more than the typical work expected to be produced in the business relationship.

Collectivist behaviour is also linked with the stable flow of inputs emphasized by Dwyer and colleagues (1987, 19) as criteria for commitment. The aim of collectivism or

giving one's commitment to a group is that eventually members of the group will return the produced favours (Robles et al. 2015, 126). This cannot be forgotten, as the failure to maintain a constant input flow in both directions by reciprocating will not go unnoticed in business relationships (Paavilainen & Wilska 2001, 307).

When it comes to inputs, Latin Americans place importance especially on emotional input. Particularly in a superior-subordinate-setting the people expect their bosses or directors to show deeper emotional interest in their lives outside the work setting as a sign of their commitment (Osland et al. 2007, 114). It remains to be seen if this particular finding holds effect also in business-to-business relationship context.

Table 2 – Latin American theoretical implications for the construct of commitment

Theme	Theoretical implications for the construct of commitment
Simpatía	Commitment is clearly communicated in daily transactions; Verbal and non-verbal signs of commitment and caring
Personalism	Commitment through personal relationships, existence of contracts does <i>not</i> guarantee that they will be followed; Generally very high commitment once established
Particularism	All business interaction/transactions perceived as favours to a friend
Trust	-
Collectivism	Commitment more easily and profoundly established between people perceivably from groups with close cultural similarity; Expectation that the group will reciprocate enables constant input flow to the in-group
Paternalism	Emotional input perceived in showing interest to people inferior in the organization hierarchy
Power	-
Humour and joy	-
Fatalism	Commitment is not shown through deliveries or met deadlines, but in personal relationships; Environmental volatility poses a negative effect on relationship commitment to a foreign supplier

2.2.5 *Attraction*

The third concept highlighted by Grönroos (2007) in relationship marketing is attraction. Attraction is fundamentally an interpersonal phenomenon also studied in marketing and associated with inter-firm relationships as well as inter-personal (Halinen 1996, 58–59). Scientists have not been able to agree on one definition for attraction, even though it has been studied for over five decades (Ellegaard 2012, 1219–1221). For

example, “liking” has been used as practically a synonym for attraction in social psychology literature (see for example Duck, 1977; Levinger & Snoek, 1972). Grönroos (2007, 41) defines attraction as “something that makes a supplier interesting to a given customer”, or vice versa. The important thing in attraction is that without it, two parties are not likely to commence business with each other. (Grönroos 2007, 41.)

Not a lot of research has been dedicated to the attraction concept specifically; most attraction literature has focused on attraction as a part of large models of business interaction (e.g. Dwyer et al. 1987, 16) or as a secondary variable in marketing exchange models concerning for example trust or commitment (Ellegaard 2012, 1219–1220). It has been argued that most existing literature on business relationships does not sufficiently recognize the need for actors to see each other and the relationship as attractive, and instead concentrates more on other relationship factors (Hald 2009, 960). Although the number of in-depth analyses is still limited, the need to extend the understanding of close business-to-business relationships and the newly found competitive advantage of companies being able to reach more resources in their network by being attractive partners have driven the change in focusing academic attention on attraction as such. Managers need to understand how they can improve their relative attractiveness in exchange relationships. (Ellegaard 2012, 1219–1220.)

According to Ellegaard (2012, 1224–1226), attraction is valuable because it generates the need to attract. Attracted individuals wish to increase the frequency, breadth, and intensity of exchange, driving the relationship further and allowing the parties to realize the full potential of the exchange. By continuously presenting favourable stimuli and managing the attraction process, relationship parties can affect the decisions and behaviours of the other, to optimize the outcomes of exchange. (Ellegaard 2012, 1224–1226.)

Even though social scientists have not been able to agree on a conclusive definition for attraction, a common agreement is seeing attraction as a positive attitude (Ellegaard 2012, 1221). Attraction as an attitude has three components: cognitive, affective and behavioural (Levinger & Snoek, 1972). Individuals cognitively recognize rewards and costs in interacting with another person through the things he/she learns about this person. This information causes different emotions of various intensities, which then affects how the individual is disposed to behave or act in relation to the other person. In the case of an attractive actor, the emotions caused by the cognitive assessment are positive and create a good feeling about them, which again makes the individual to engage in more frequent and more intensive interaction with the person. (Levinger & Snoek, 1972.)

There are two distinct views on the concept of inter-firm attraction: the reward-driven view and the view of compatibility of resources. It is the assumption of both views that attraction plays an important role when two entities are in the process of

opening a business-to-business relationship, as without it the interaction would not have commenced, but it must also be maintained during the later phases of the relationship as well for example to discourage competitor interference (Grönroos 2007, 41).

The more traditional and notorious of the two is a reward-driven view on attraction. Here it is argued that attraction derives from the reward-cost outcome of the relationship: in other words, attraction is the uniting force in the process of two parties coming to the conclusion that more can be gained from the relationship than what needs to be sacrificed, and more so than with other alternative partners. (See for example Dwyer et al. 1987.)

Harris, O'Malley and Patterson (2003, 9) defined attraction in professional services “as the extent to which relational partners perceive past, current, future or potential partners as professionally appealing in terms of their ability to provide superior economic benefits, access to important resources and social compatibility”. Thus the perceived rewards are not purely monetary, but can include things that people prefer socially, like the personality of the person they are dealing with. Other valuable rewards include information, services, legitimacy, and status, all of which enhance the attraction effect (Dwyer et al. 1987, 16). Blau (1964, 21) states that it is in the consideration of each individual to determine the cost and the reward for exchange relationships, because personal rewards or costs affect people very profoundly. Therefore, the essence of the reward-driven view of attraction is the comparison of all kinds of costs and benefits in a calculative manner.

Hald, Córdón and Vollmann (2009) explore mechanisms that create attraction in relationships and conclude that trust and commitment are fundamentally intertwined with attraction, and that mutual attraction may help the establishment of the two. Attraction is defined in their study as the force that pushes a buyer and supplier closer together in a dyadic relationship (Hald et al. 2009, 961). They see one party's attraction towards another as the function of three components.

$$\text{Party's Attraction} = F((\text{Perception of Expected Value}) ; (\text{Perception of Trust}) ; (\text{Perception of Dependence})) \text{ (Hald et al. 2009, 962)}$$

Expected value is in the core of the construct (Hald et al. 2009, 961). Like in the attraction definition of Dwyer and colleagues (1987), here it is also implied, that expected value manifests itself in comparing the perceptions of what can be gained and what needs to be invested. The model suggests, consecutively, that the levels of trust and dependence, or commitment, have the ability to moderate the perceived value and hence the level of attraction. Therefore the 3 concepts are deeply related. (Hald et al. 962–964.)

Ellegaard (2012, 1223), drawing from social psychology, involves some level of reciprocity as a condition for attraction: without the need to reciprocate the relationship cannot grow closer in a situation where the investments between parties are too one-sided. Social rewards, however, are not quantifiable, which makes reciprocating more unspecific. Attraction can therefore mean that parties are willing to accept that returned rewards are not always equal or timely (Blau 1964, 7). Therefore a close relationship involves acceptance, patience, goodwill and flexibility (Ellegaard 2012, 1223).

In addition, it is argued that simply providing rewards is not enough, but the way they are provided matters. Managers must be able to interact socially, because social relationships are one of the most central means to generate rewards, and social abilities are also needed in avoiding cost-generating behaviours. (Ellegaard 2012, 1226.)

Halinen (1996) takes on another view of attraction, view of compatibility of resources. In business relationships, according to Halinen (1996, 59), attraction is based on the compatibility of the two parties' organizational resources and needs, which guarantees a fitting and eligible situation even as the relationship progresses.

By assessing this compatibility the parties determine whether the win-win situation is possible in this particular bond between companies. In addition, intangible and personal factors and especially interpersonal chemistry are not left out, but play an important part in the outcome of evaluating the attractiveness of a specific business relationship. (Halinen 1996, 59.) Companies fail to generate attractiveness maintaining a "professional distance" or by conducting exchange communication merely through electronic interfaces (Ellegaard 2012, 1226).

In a buyer-supplier context, Bonoma and Johnston (1978, 215) discovered that "the major factors influencing the purchasing decision are social ones, not rational-economic ones", supporting the resource-compatibility view. For example, it has been found that humans are attracted to individuals who have similar characteristics (Berscheid & Walster 1978). This is called the similarity-attraction paradigm. It states that two individuals with similar characteristics tend to think in a similar way, which makes them support and justify each other's views through their interaction. This reinforcement, in turn, is very attractive to human psychology. (Kelley 1979; Ellegaard 2012, 1222.)

2.2.6 *Attraction in Latin America*

This section studies what implications Latin American business culture has in relation to general studies and characterizations of the attraction concept. As noted previously, attraction is an important factor when two entities are in the process of opening a business-to-business relationship (Grönroos 2007, 41). A lot of the Latin American

implications have to do with interpersonal attraction, which then go on to define inter-firm attractiveness as well.

According to Ellegaard (2012, 1224–1226), attraction is valuable because it generates the need to attract. This idea manifests in the Latin American practice of basing everything on the personal relationship and the reciprocation that they produce. According to Acuff (2008, 155) asking favours is the customary way to indicate the desire to engage in a personal relationship. Ellegaard (2012, 1223) states that if a partner does not feel the need to reciprocate in a relationship, there is not enough attraction between the relationship parties. Personal rewards are also said to be the ones to determine the value of the relationship (Blau 1964, 21). This is also true in Latin America (Acuff 2008, 155): if a favour is denied bluntly, the friendship-like relationship is broken or there is no willingness to pursue it. Some favours obviously cannot be accommodated, which is when one is supposed to give a “Latin no” and promise to see to the matter, then find another way to produce a favour for the partner. The notion Ellegaard (2012, 1226), saying that social relationships are one of the most central means to generate rewards, is therefore especially true in Latin America due to personalism and particularism.

A pervasive characteristic of Latin American business culture is *simpatía* that is translated in overall niceness in all social interaction, full of etiquettes and norms (Christiansen 2012, 211). *Simpatía*, however, has a slightly dangerous implication for attraction, as failing to be nice enough or ill-considered words can easily be interpreted as insults to an individual’s sense of self and lead to disproportionately great communication difficulties with people from non-Hispanic cultures (Christiansen 2012, 211; Triandis et al. 1984, 1363). Latin Americans require both parties to excessively show positive behaviours, as mild gestures may be perceived too neutral or even negative and/or not enthusiastic enough (Triandis et al. 1984, 1363). Therefore the social ability to generate rewards (Ellegaard 2012, 1226) can be considered unique in Latin America. There is also the other side of the coin that suggests that nothing can explicitly be interpreted from positive behaviours, as Latin Americans are always excessive in their use without it necessarily reflecting their true thoughts (Paavilainen & Wilska 2001, 335). The lack of attraction can therefore be hard to perceive.

Simpatía and the requirement of niceness also produce disapproval of going directly into the point or giving a straight negative answer (Paavilainen & Wilska 2001, 335). This can be considered as the cost-generating behaviours, which Ellegaard (2012, 1226) suggest should be avoided as for social attractiveness. If one party demonstrates these behaviours too much in an interpersonal business situation it is likely that attraction will not be as great as when following the social norms of *simpatía*. According to previous attraction literature, people can see a brighter future with an individual who is perceived

as nice, but the concept of what constitutes as nice or not nice enough seems unique to Latin America.

In addition to extensive expression of positive behaviours, it is suggested that to ensure being perceived as more attractive in Latin American business culture one should be able to communicate in the local language. Paavilainen and Wilska (2001, 331) describe attraction to be immediately greater, when a business partner is able to use the local language in business negotiations, compared to the situation where parties must resort to English, for example. This is in line with the similarity-attraction paradigm, stating that humans are attracted to individuals who have similar characteristics (Berscheid & Walster 1978; Ellegaard 2012, 1222). Perceived similarity is said to be an important reward for Latin Americans, who are prone to collectivism or the preference towards perceived in-groups in relation to out-groups (Osland et al. 2007, 113). Local language skills would seem as a logical indicator of in-group similarity, in addition to for example socio-economic factors, which both foster attraction in collectivist cultures.

Examining the attractiveness of a business partner through the cultural theme of particularism, it can be said that the attraction effect is likely to increase if one party is able to accommodate certain exceptions for the partner, making them feel special (Osland et al. 2007, 111). Particularism is described as the Latin American custom of treating one's personally known contacts in a special way within one's power to do so. Particularism has obvious rewards for the party when assessing the attraction of another with regard to the reward-driven view on attraction, and it clearly increases the perception of expected value from that partner (Hald et al. 2009, 962). It has also obvious relations with the Latin American concept of power, as people perceived as more powerful are logically able to accommodate wider exceptions and hence, higher rewards. According to this view, one should explicitly demonstrate power: to show authority and appear as high-status individual, which can even be expected of persons in prominent positions as it is embedded in management style (Christiansen 2012, 211). This particular part of Latin American attractiveness is slightly in contrast with, for example, the similarity-attraction paradigm, and it remains to be seen if empirical findings clears the view in the case of Finnish-Latin American business relationships.

Previously in the chapter mostly interpersonal implications of attraction in Latin America have been discussed, but there are important considerations for inter-firm attraction as well. For one, language barriers (Paavilainen & Wilska 2001, 331) can be described as impeding attractiveness also on the company level, especially when adopting the resource compatibility view (Halinen 1996, 59–60). If companies already in the beginning see that their linguistic resources are likely to create impairment in the communication between companies, or that in the course of the relationship key persons that have been able to mend the language gap are likely to be lost, the attractiveness is likely to decrease, especially relative to alternative partners.

In addition, paternalism describes the strict hierarchy distinctive of Latin American organizational culture. For attraction this means that appealing to one hierarchy layer is typically not enough: being perceived as attractive by for example the operational staff of a potential Latin American partner does not say anything about the overall attraction between two particular business entities. There can be multiple organizational levels along with numerous invisible decision-makers, especially in family companies, who all need to be convinced about the rewards the specific relationship could bring. (Paavilainen & Wilska 2001, 319–320.)

Table 3 – Latin American theoretical implications for the construct of attraction

Theme	Theoretical implications for the construct of attraction
Simpatía	Attraction requires both parties to excessively show positive behaviours; Easily interpreted insults that diminish attraction; On-going attraction cannot be explicitly perceived from overall niceness; Disapproval of going directly into the point or giving a straight negative answer
Personalism	Social relationships are the most central indicator of attraction; Attraction based on the personal relationship and the reciprocation value it is assumed to produce
Particularism	Greater attraction in case of accommodating certain exceptions for the partner that cannot be bluntly refused
Trust	-
Collectivism	Local language skills as an indicator for in-group similarity
Paternalism	Attraction depends on pleasing all parties involved in the decision making process, not just the most obvious manager
Power	Power should be explicitly demonstrated, because the people with more authority are able to accommodate wider personal rewards.
Humour and joy	-
Fatalism	-

2.3 Summary

Trust has been defined in this study according to Grönroos (2007, 40), as one party's expectations that the other party will in a given situation behave in a certain predictable way. Literature on Latin American culture offers some theoretical implications on how this definition should be understood in Latin American business. First of all, cultural simpatía in Latin America implies that trust is not conveyed in the public façade of a person that is without exception positive and nice, and that trust should not be understood through direct words, as people are culturally disposed to only verbalize

positive matters. The level of trust in general is found to be quite low in Latin America for others than close family and friends, and strangers are seen inherently as evil rather than good.

Personalism and collectivism in turn imply that trust is exclusively formed through personal relationships. The “amigo culture” is common, where networking and recommendations are extremely important, and people gather information and evaluate others in terms of cultural similarity, which has a significant positive effect on trust. For example, speaking the local language makes trust immediately greater. Also because of particularism, uncertainty is greater because of unexpected third-party connections, which diminishes the ability to expect certain behaviour in a certain situation. Because of fatalism, things are also generally more trusted on fate and circumstances are blamed more often than people, as decisions are less based on facts and more on intuition.

Commitment on the other hand is defined as the motivation that makes a party want to do or continue to do business with another party (Grönroos 2007, 41). In Latin America, commitment is said to be clearly communicated in daily transactions by verbal and non-verbal signs of caring, representing the effect of *simpatía*. Personalism and collectivism imply that commitment is formed through personal relationships that are more easily established between people perceivably from groups with close cultural similarity. The expectation is that for giving one’s loyalty to a group the group will eventually reciprocate, as all business interaction including transactions are perceived as “favours to a friend”. There should be constant input flow to the eventual in-group, and paternalism implies that emotional input is perceived as the most committing. Lastly, fatalism implies that as commitment is understood through personal relationships, deadlines and deliveries become less important as indicators of commitment. However, a volatile environment does pose a negative effect on relationship commitment in Latin America.

Attraction has been historically more difficult to define, but according to Grönroos (2007, 41) attraction is “something that makes a supplier interesting to a given customer”, or vice versa. In Latin America attraction requires parties to excessively show positive behaviours due to *simpatía*. On-going attraction can therefore not be interpreted from overall niceness, as negative answers cannot in general be culturally verbalized and words are easily perceived as insults. Personalism implies that attraction is based on the personal relationship and the reciprocation value it is assumed to produce. Therefore due to particularism, attraction is greater when the partner is able to accommodate certain exceptions, and people with authority and power are perceived to be able to accommodate wider exceptions, increasing their attractiveness. Inter-firm attraction also depends on the ability to attract all parties involved in the decision-making process and not just the most obvious manager. Lastly, the literature suggests local language skills are bound to enhance attraction effect.

3 COLLECTIVE CASE METHOD

The method used in this thesis is a collective case study, which is sometimes used interchangeably with multi-case study. In this approach a number of cases are studied jointly representing the same phenomenon, in this case Finnish technology companies expanding into Latin America, and each case should have a voice in its similarity or dissimilarity compared to the rest of the cases. The research method aims at providing insight by identifying both what is common about a specific case and what about it is particular. (Stake 1994, 237.)

The specific cases are selected because it is believed that their examination will lead to better generalizations about a larger collection of cases (Stake 1994, 238). The individual cases are first examined individually, but can then be considered as a collective entity in the joint analysis phase (Goddard 2010, 165).

The collective case study method for this piece of research was chosen, because the study attempts to answer the question of how should relationship marketing be applied in Latin American business culture. How and why questions are likely to be studied with the use of case studies (Yin 2003, 7), and understandably require a qualitative approach. Also, according to Yin (2003, 5), case studies do not require control of behavioural events, and they focus on contemporary events. As this study is of a descriptive nature of *how* something is done or understood, behavioural control is not required, although contemporary events are addressed, as informants are asked to describe actual or recent activities.

Case studies are often critiqued for their apparent lack of generalization opportunities (Yin 2003, 10). This piece of research contains obviously a small set of cases about relationship marketing activities with Latin American partners, but it is essentially a step towards generalizing the implementations and considerations of relationship marketing theory when applied to a Latin American context.

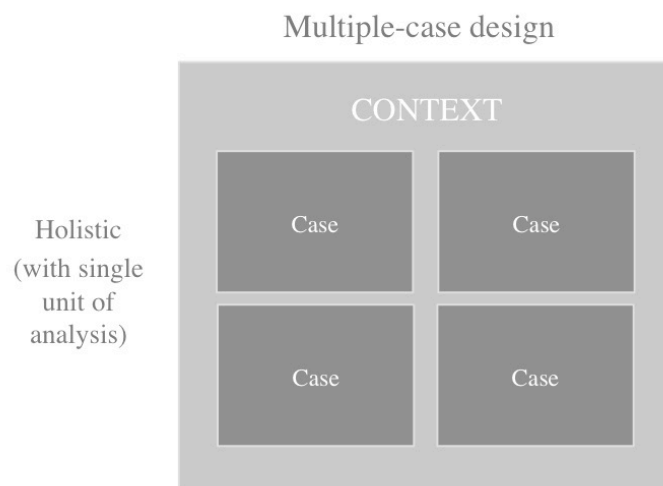


Figure 2 – Case design after Yin 2003, 40 (Basic types of designs for case studies)

More specifically, the study can be described a holistic multiple-case design with a single unit of analysis, meaning a single source of information in each case (Yin 2003, 40), with the distinction that the different contexts of Yin's original case design are close to identical in this study (see Figure 2). The purpose for choosing a collective case approach instead of a single-case study was retaining more information through the reasonable contribution – a one-hour interview – expected from each informant. The attainment of the correct individual inside one studied organization or information unit, in this case the person responsible for business activities and negotiations with Latin American partners, ensured the sufficient quality of the information, so having more informants within one organization was considered unnecessary.

3.1 Data collection and description

The data for this research was collected by interviews of one hour, as a norm. Finnish informants were chosen in order to eliminate the misunderstandings derived from language in the data analysis phase. This also aims at making the research results more relevant in the point of view of the Finnish company exploring the possibility to engage in Latin American markets. Finnish interviewees were also the most accessible. They were identified and contacted by using a network approach through Finpro offices in Mexico City, and their appropriateness assessed by research criteria.

The analysis of the empirics in this study was done in two different levels to add to the understanding of the chosen context; Latin American business culture. Therefore, two different sets of interview data were gathered: preliminary interview data and case interview data.

First, five preliminary interviews were conducted with professionals of the Latin American market, from now on to be called general informants. These informants had long careers in B2B commerce in the region, for example as Finnish export centre consultants. The informants are seen to possess insight on the challenges Finnish companies face as a whole in Latin American markets, which permits a wider picture of the novel context before descending onto the case analysis level. General informants can be described as the informants through whom the actual cases can be known (Stake 1994, 237–238).

This group was asked a set of questions similar to the three case companies. The questions were meant to cover Finnish companies' relationship marketing activities as a whole, in the informant's corresponding countries or areas of speciality in Latin America. The data collected on these interviews is first discussed in the light of existing theory, and the results were then applied to examine the case data.

Table 4 – General informant descriptions

General informant descriptions	Profile	Years of experience	Countries of speciality	Interview length
Informant A	Founder of internationalization consulting firm	>20	Mexico, Central America, Colombia, Peru, Venezuela	75min
Informant B	Head of initiating and managing operations in Mexico for a Finnish global enterprise	>20	Mexico, Central America, Brazil	60min
Informant C	Export centre junior market advisor	5	Mexico, Central America	45min
Informant D	Export centre consultant/advisor	>5	Chile, Peru, Argentina, Uruguay	80min
Informant E	Export centre consultant/advisor	>15	Mexico, Central America, Peru, Colombia, Ecuador, Bolivia	45min

Second, the collection of case data followed. Most of the preliminary interviews were conducted prior to the case interviews, but some overlap did occur.

The case data consists of three cases that represent young Finnish software companies that have expanded into Latin America within the past three years, at the time of interviews. A software business, although often difficult to define exactly, can be defined as a “business, which is based on selling software owned by the company either as licenses or as services, and all other services which are tightly linked to this business” (Rönkkö et al. 2007, 3). Software is often an integrated component of many technology product and service offerings, and the boundaries of the business can therefore be unclear (Rönkkö et al. 2008, 1).

The software industry was chosen for this study because Finnish software companies are prone to internationalize quickly while they are still small, and become so called Born Globals (Hashimoto 2011, 16). There are several reasons for this.

First of all, the ever-widening adoption and use of the Internet has created new and easy channels to deliver software products fast, effortlessly and globally (Rönkkö et al. 2008, 4). However, Finland is a country with a relatively small domestic market in order

to reach desired volumes: therefore internationalization is often considered a natural move for software firms (Rönkkö et al. 2008, 7). Consumer needs and behaviour have also become homogenous across various markets, which enables firms to reach economies of scale with little or no variations to their product offering (Hashimoto 2011, 16). This is important, as software companies usually operate in a narrow niche market dispersed across different countries (Saarenketo 2004, 301), and software product life cycles are exceptionally short due to continuous technological changes (Kuivalainen 2001, 26).

The software industry was also chosen because software has currently penetrated to virtually every area of people's lives and continues to do so in many surprising ways (Rönkkö et al. 2008, 3). Software firms are also easy to establish with little capital and personnel, and the standard software firm is in fact very small; many have even fewer than 5 employees (Rönkkö et al. 2008, 10–11). This is why it is evident that there is going to be an even larger number of companies in the future, in addition to those present today, who can benefit from this study.

Interviewees from each case company in this study were the persons responsible for business activities and negotiations with Latin American partners. They were asked a set of questions about their experience and intentions with their Latin American business relations and counterparts. Next, the case companies will be introduced. All three companies and informants have asked to stay anonymous.

Table 5 – Case informant descriptions

Case descriptions	Case 1	Case 2	Case 3
Company line of business	Media software design and production	Software design and production	Digital storage / software design
Year of establishment	2002	2008	2010
Company size (employees in 2013-2014)	32	10	11
Degree of internationalization (% of total sales from outside of Finland)	70%	35% (on average)	15%
Strategy in the LatAm market	Home-based export agents	Local intermediaries/partners	Local intermediaries

Company years of presence in the LatAm market	3	<1	<1
Previous experience of informant in the LatAm market	None	None	Extensive
Spanish language skills of informant	Limited	Fare	Good
Interview length	60min	60min	75min

The general characteristics of the case companies were defined in the research design. As elaborated before, the company line of business was limited to software companies, which allows the study to bear relevance to a large group of companies potentially following the route of the cases presented here.

Company size was also limited to small (maximum 50 employees), because it is increasingly easy for software companies to internationalize, even early on in their life cycle, due to advances and opportunities in communication technologies. In addition, internationalization of small and medium enterprises is less researched than that of multinationals.

The indicated per cent of total sales outside Finland represents the degree of overall internationalization of the company at the time of interviews (Oviatt & McDougall, 1994, 49). It can be interpreted also relative to years of establishment, which illustrates the speed by which modern Finnish technology companies are able to internationalize. All three companies have internationalized fairly quickly.

Strategy of internationalization in a specific market is, according to Peng and Illinitch (1998, 614), divided into three options for the exporter: 1) home-based export agents; 2) local import intermediaries; and 3) wholly owned subsidiary. Furthermore, they add online sales as the fourth, newest option to the list. From the basic three options local import intermediaries are said to perform B2B internationalization functions better than in the two other options where the exporter is mostly operating independently (Peng and Illinitch 1998, 614). From the case companies, Cases 2 and 3 represent the recommended option, both in their respective ways, while Case 1 represents the home-based export agent strategy. The strategy of choice is important to take into consideration in analysing the interview evidence accordingly.

Years in the Latin American market describe the years of operations the case company has in the region. The study concentrates on the first chronological steps of the Finnish-Latin American relationship marketing process, which is why this number was limited to less than 4. The figure is also relative to years of establishment. Previous experience of the informant in the Latin American market, in turn, describes the

experience in the company that might not be tied to its operation in the particular market, but to the experience of its employees, in this case the informant in question. In this matter, Case 3 informant differs from the two others, as he is far more experienced in Latin American markets.

Also, Spanish language skills were considered crucial to successful relationship building in Latin America (Paavilainen and Wilska 2001, 331). Therefore this has to be taken into consideration, while also comparing this attribute to the strategy of choice, which defines whether the informants deal with Latin American counterparts in person.

3.2 Data analysis

Interview data was recorded and the interview content transcribed. When in written form, data was then analysed through pattern matching, a technique based on comparing patterns in the empiric material to theoretical patterns in previous literature (Yin 2003, 116–120). If these patterns match, theoretical knowledge is backed up, while in the opposite situation the study might bring additional insight into current understanding.

As far as the process of analysis goes, first, empiric evidence from each interview were filtered to categorize them into 3 groups corresponding to the relationship marketing dimensions: trust, commitment and attraction. The filtering was done first to the general informant interview transcriptions and then to case data.

Second, evidence within each dimension were examined as a whole to identify bearing patterns in that specific dimension, which would give direction to detecting key findings on how the important relationship marketing dimensions should be seen in Latin American business culture. This was done with all of the five preliminary interviews as a single big unit, but separately to all three cases, considering them as individual units.

Lastly, specific evidence or examples representing the arisen patterns within each dimension in the general informant analysis level were put forth in the result chapters. As interviews were conducted in Finnish, these evidential quotes were translated into English. The meanings of the quotes were discussed in relation to the conclusions of earlier literature. The same logic was then applied on the case data, comparing case evidence to both previous literature *and* general informant results. This step aims to identify, on the two levels, if the themes, their relative importance, and the specific data evidence is in line with earlier theory and findings, if they deviate from it in any way, or if anything new, interesting and previously unmentioned arises.

4 PRELIMINARY INTERVIEW RESULTS

4.1 Trust

This chapter will discuss the findings on how trust should be understood in Latin American business culture from the interviews of general informants. Earlier literature has in many aspects captured well the components that affect business-to-business relationships with Latin American partners when it comes to the manifestation of the trust concept. However, some additions are made based on the interviews. Themes that presented noteworthy implications for the trust concept in the interviews were the following: personal relationships, process-based trust, *simpatía*, local presence and language skills, bureaucracy, and the effect of nationality or foreignness.

Ample evidence on trust being based on personal relationships more than anything else in Latin America was found during the interviews, as previously suggested by Osland and colleagues (2007), Paavilainen and Wilska (2001) and others. Most business deals are made between friends, so contacts and investing in the relationships to reach the *amigo* level (Paavilainen & Wilska 2001, 306) are crucially important. All informants highlighted the specific importance of personalism, or the desire of to feel special as a person and the intention to always give other people personalized, individual attention (Osland 2007, 111). When asked about the most important characteristic of Latin American business culture, informants underlined personal relationships. Relationships were even described as a soap opera, doing business with one's friends, and not necessarily with someone who performs well but is personally disliked.

And that trust is very important, you must... most deals are made between friends, so the contacts are awfully important and investing in the relationships. (Informant E)

First they need to trust you, as a person, and specifically this is based on the person first. (Informant D)

This emphasis has important consequences. For example, people change positions quite often in Latin American companies, which means that the relationship has to be built again from scratch with the replacement, which according to Halinen (1996, 62) is universal to trust between all business entities. However in Latin America, because there cannot be trust without a personal relationship (Osland et al. 2007, 112), according to evidence from interviews, it is important to spend time together with the business relationship partner outside working hours and get to know them outside business

issues. A lot of hours are likely to be invested in these kinds of activities. Latin American cultures in general expect a more personal approach in their relationships. It is necessary to create a relationship beyond strictly a business relationship, because the better the personal relationship the easier all interaction and communication is. This includes for example asking about family members and such non-business-related things that can many times seem trivial.

-- it's pretty common in different Latin countries that they kind of want a certain closeness from the relationship. Which... you need to remember to ask so how was your son's birthday party was it nice, and oh your football team lost, and create a more personal relationship in a way instead of just a business relationship. It very clearly -- helps things the more personally you know someone, because here everything is connected to personal relationships. Not so much who you know but who knows you. And the better personal relationship you are able to create with the partner, let's say it makes things a lot easier. (Informant A)

Another consequence is the need for face-to-face interaction. Although the internet makes many things easier in today's society, in Latin America face-to-face contact is still very much appreciated: calls and emails do not cut it in creating an adequate personal relationship. The abovementioned consequences are aligned with theory. For example Robles and colleagues (2015, 126) stated that Latin Americans evaluate indicators of trust and loyalty in business settings by asking a lot of questions about what seem to be very non-business-related things, which can be done in social events such as lunches or dinners.

In Mexico, for instance, it was said by informant C to be crucially important to take customers and partners to lunch and to talk face to face about business matters as well as non-business related issues. However, this matter bears national differences inside Latin America. For example, according to informant D, in Chile the attitudes towards personalism are stricter, and in the early stages of the relationship lunches and personal gifts are not appreciated in the same way as in Mexico, but are seen more as inappropriate intentions to jump the formalities.

As a logical consequence for these requirements of Latin Americans on the amount of time spent together outside business hours and the preferred amount of face-to-face contact, a theme that was explicitly emphasized by all informants in various occasions throughout the interviews was to be locally present in the area where one's Latin American partner is located. Face-to-face contact and recreational time together require the physical presence of the partner, thus it becomes the prerequisite for employing these drivers for trust.

Local presence not only had to do with the ease of communication and supervision of the partner, but also with it being a competitive requirement and the difference in the mentality how trust in partner relationships is viewed. If no permanent local presence is possible to be arranged, informants recommended frequent visits, which is obviously a big investment for the company with regard to time and money. It was even said to be unlikely for a Mexican company to buy anything from Finland without also having a local support network for the product or service: they prefer a local contact point who to call in case of a problem or concern.

-- you can't just visit every year, but you have to go more often and it is very important. And truly the email and the phone, it's not enough. -- So you need to come visit. And the optimal thing is of course if you get your local rep to visit Finland so he sees your factories and offices and Finland in general, and then the fact that you go visit them here. Which is obviously a big investment from both sides. (Informant A)

-- it's not only buying the product but the presence on the spot is important, so I don't see Mexicans necessarily buying a Finnish product if it is so that the company doesn't have some kind of a support network here in Mexico, a local partner or someone who... -- Mexicans do want to have someone who to call sort of in the same country. (Informant E)

Although it has been concluded that trust specifically forms through personal relationships in Latin America (Osland et al. 2007; Paavilainen & Wilska 2001), the literature has not emphasized sufficient local presence as a facilitator and a predecessor for gaining the trust of a Latin American partner, when comparing to the importance given to it by the general informants.

Some signs whereby to judge the progress of a personal relationship came up in the interviews. Latin American business culture is described as old-fashioned in its high level of formality (Osland et al. 2007, 110), but interviews suggest that this formality diminishes rapidly as the relationship deepens. It is also said to be a big sign of trust, when two persons switch from the Spanish formal addressing to being on first name terms.

I feel like they change a lot after that [personal relationship]... it's in the language too, like whether you use usted or not it is kind of revealed there already. (Informant C)

The same phenomenon can be observed in differences in the custom according to which personal contact information is handed forward. For example cell phone numbers are not distributed widely, because they are considered too personal to trust to simply

anyone. It might take quite long before obtaining the personal contact information of even an agent.

-- here for example cell phone numbers are not shared like in Finland, but it always goes through a secretary. -- You very rarely get cell numbers and they're only given when... I mean with the partner yes, but if we talk about customers they don't give cell numbers and it goes sort of via official channels. -- it's only because it's too personal, only the ones who know call the cell phone. (Informant D)

These kinds of implications were not addressed specifically in earlier theory, but they do illustrate the previously presented notions on personalism or the “amigo culture” that includes sharing personal issues as a manifestation of personal relationship and trust (Paavilainen & Wilska 2001, 305).

The lack of trust for people who are not close friends or part of the extended family (Osland et al. 2007, 112) also manifests in overall suspiciousness towards novelties. It is hard to win over a Latin American solely by the superiority of a technology, which he/she will not automatically trust. However, when presented by a personally known contact whose benevolence has been culturally secured, it is another story.

The trust, it's so important there. These Chileans have a low desire and ability to tolerate risks. Often you find the mentality that it doesn't matter if the technology has been known around the world for the last 20 years, but if it's not in Chile, it's different. -- They look at the technology mouths watering like this would save 15 people's wages, but they don't dare take it because what then if something happens, it doesn't work after all and it [the saw mill] only has that one button to push? So trust really is the insurance there, it has to be first created between people -- (Informant D)

This brings us to supporting evidence for collectivism, already highlighted as having important implications for trust by Osland and colleagues (2007, 113) as well as Robles and colleagues (2015, 126), among others. Collectivism, or in-group/out-group behaviour, refers to the way Latin Americans are socialized to sort people between in-groups and out-groups based on perceived cultural similarity and liking. Of these groups the in-group is the trusted one, and new people are scrutinized in order to find out if enough cultural similarity is perceived.

Collectivist and personalistic behaviours were frequently brought up by informants, followed by implications they have for the case of a Finnish-Latin American business partnership. Personalism in Latin America, also known as “amigo culture”, refers to the fact that trustworthiness will not be perceived from anyone without knowing them personally, which takes relatively long a time. Recommendations through mutually

known contacts are thus the most effective way to reach networks and people otherwise unattainable. (Paavilainen & Wilska 2001, 305–306.)

General informants verify this by stating that people in Latin America are always searching for mutual contacts. They also search other mutual references like similarities in education, hobbies and such, which provides evidence for the effect of collectivism in Latin American business culture. However, coming from as far away as Finland makes this harder due to the lack of similar references and also due to having less time to invest in these bonding activities.

And always looking for mutual friends of course. Who you know, where you went to school, and what mutual acquaintances you have and see if there's something common, do we go to the same gym or club or whatever, so it always helps to have the references. And of course it helps to open doors if you know people. Maybe they are... if you're coming from Finland it takes a lot longer to sort of get to know someone. (Informant A)

The ease and speed by which trusted personal relationships are formed through collectivism were said to be unbelievable. Networking through friends and recommendations by an “amigo” are the foundation for new relationships and advance trust formation by leaps and bounds. Judging by the interviews, it is crucially important to be in the in-group for your contacts, even though you will never get to the same level of connectivity as a foreigner.

You can never belong and you can never access it [the culture] completely but you can get in contact, but if you know someone who is an old college friend of someone else, then they just make a phone call and it's a deal. -- So very small circles. (Informant B)

The importance of networks and reaching the in-group has already been pointed out by Osland and colleagues (2007, 113), but judging on the general interviews, a foreign actor in Latin American business culture might find it necessary to replace the lack of inherent networks by additional steps in order to reach new networks.

There is, however, some contradiction in the matter of collectivism. Being Finnish, or foreign in general, seems to have a positive effect on the perception of trustworthiness *despite* the fact that the foreigner may not originally have that much common ground with the Latin American partner in order to belong to their in-group. According to interview evidence, foreigners in general enjoy a certain appreciation in Latin American business culture. Foreigners are, for example, permitted a lot of errors, and the subject arises frequently. An expatriate does not have to have clear

organizational authority: if they only are foreign, they will likely be listened to, making expatriates a good investment in Latin America.

-- and foreigners are forgiven a lot. -- Yeah it comes up really often there, that foreigners are forgiven absolutely everything, you don't have to know anything about things, you don't have to have a high position in the firm but because you're foreign they'll listen to you, so if companies are thinking whether it's favourable to have expats there or not, then yes it is, even if it wouldn't be elsewhere. (Informant B)

There seems to be a certain appreciation and interest towards anyone foreign, which contradicts with earlier findings of cultural similarity having a significant positive correlation with trust (Bianchi & Saleh 2011, 263). This might be because foreigners are said to be able to jump from one social class to another more easily than locals, who are more combined to their inherent social in-groups, according to Informant B. Either the inherent social groups are impeding locals more than foreigners, or the ability to easily jump between social groups creates a unique advantage for a foreigner. In any case, the requirement of cultural similarity for trust does not necessarily seem to hold true in the case of foreign partners. It is beneficial to have the ability to break the limits of class society and have contacts in many circles, as foreigners do not have existing networks from for example university years that they can contact or other background through which good word can be put out.

-- you have to understand that it's a class society, and there is, for example if you've been to the same university with someone then you have all the contacts that you can just... So networking and that sort is important and it's a good idea to use a foreigner who can brake the barriers. (Informant B)

Foreignness can therefore be seen as an exception in the effect of collectivism, which did not appear in earlier literature.

Process-based trust, or the track record of positive experience in doing business with the same party for a period of time, seems to be important for trust formation in Latin America like in other parts of the world, as earlier presented literature suggests (see this thesis 14–18). Four out of five informants talked about the importance that answering all inquiries quickly, keeping promises, and being available, have for trust building.

-- if you promise to send something on Tuesday then you send it on Tuesday and not later, so that brings the trust. They know the thing is going to work with you. And of course you have prompt responses and so on. It's the same here [in business between

two Latin American business entities] *so it's probably universal, they way that you know that the other party is reliable and they do what they promise.* (Informant A)

As for the frequency by which the evidence on process-based trust arose in almost all of the interviews when asked about the bases for trust, it seems that process-based trust (Grönroos 2007, 41) is one of the major components for trust formation also in Latin American business culture. In addition, the Finnish way of working goes well with the appreciation of process-based trust elements. Finns were praised for proving their reputation correct in more cases than not.

It's awfully important to answer emails and such, but I'd say 80% of Finns do what they promise. Or then they point-blank inform that I'm out of the office the next two weeks so I can't send anything before that. -- This creates trust. (Informant A)

This suggests that the traditional ways of experience-based trust building by Finnish companies are successful also in business with Latin American partners.

The cultural theme of *simpatía* affects how trustworthiness is perceived in Latin America, and effects were highlighted also in the interviews. The biggest implication for trust is that the things that are explicitly said or expressed cannot be regarded as the ultimate expression of what a person truly thinks about a matter or about another person (Osland et al. 2007, 110–111). What was described by all interviewees as especially troublesome with regard to *simpatía* in intercultural trade partnerships was the fact that it is culturally very hard for Latin Americans to give a direct negative answer, in addition to the tendency of promising too much or things that they might know are not realistically possible. This has been already documented by for example Paavilainen and Wilska (2001, 332). For Latin Americans it seems easier to answer something close to meaningless and wait for the counterpart to get the message between the lines.

Mexicans are... they have a really hard time saying no to anything, which is also noticeable in the business world and the business culture, that they keep promising a lot but then won't necessarily stand behind their own words. -- it's the fact that it's so hard to say no, and then they don't say anything. It's easier to hide and forget it than face it and say hey this turned out not being what we were looking for, sorry. (Informant C)

Although the effects of *simpatía* were mostly approached with slight negativity, it was also said to be merely a cultural trait necessary to understand and learn, and nothing truly impeding, which others take longer to understand than others.

-- so generally Latinos, they have a hard time saying no to someone's face. -- And you just have to be able to understand, and Finns usually get it, some sooner than others, when they beat around the bush or -- (Informant D)

What is more, as Latin Americans are not direct in their words, *simpatía* was found to emphasize the difficulty of knowing what a partner or a client needs. As all value propositions are encountered with the same apparent enthusiasm and polite interest, it is hard to know exactly what kind of solution would actually be best for the client, or what kind of working manner would the partner prefer in order to reach a win-win situation important for the relationship, because negative or even constructive feedback is culturally hard for Latin Americans to express. This is depicted especially well in the following quote:

Maybe [the most important thing in business is] to have understood the customer correctly, like what they need. Maybe it's even highlighted there [in Latin America] because they are not direct, they'll say yeah this is very nice when they don't mean it's nice, and yeah see you tomorrow definitely doesn't mean see you tomorrow. It's like the message is not direct, but you have to understand even more clearly the real need that the client has, because they've probably not understood it themselves, -- (Informant B)

Therefore one must use alternate methods to grasp the actual needs of the client or partner. Osland and colleagues (2007, 111) recommended pursuing private conversations with Latin counterparts to determine what their real needs are, as the public appearance of a person seldom accurately represents his or her true thoughts. The observed indirectness also backs up former theory by Robles and colleagues (2015, 128) suggesting that negative feedback is given through indirect and implicit cues that allow the other to perceive feedback without putting it out and risking loss of face, which the writers say can be especially challenging to follow as a foreigner.

However, a contradiction to *simpatía* was observed in the interviews as four out of five informants talked about reputation and the national origins or companies and their representatives. Finns were said to have a positive reputation among Latin Americans, like all Nordic countries. Positive reputation naturally creates cognitive trust, based on the objective cues for trust that are derived from things such as recommendations (Dowell et al. 2015, 120–121). Finland and Finns are known in Latin America mostly as trustworthy and hardworking. Chileans, for example, appreciate the fact that Finns are straightforward and honest, and tell how things are in a technology-based way.

-- so the Chileans do really appreciate that Finns have this straightforwardness, and that Finns are pretty honest. Finnish people tell how things are, and are very kind of technology-oriented. (Informant D)

The valuing of straightforwardness in Finns seems to be in contrast with the cultural script of *simpatía* in Latin America, as generally a more sugar-coated approach is required from most business negotiations (Osland et al. 2007, 110–111; Paavilainen & Wilska 2001, 332). It seems that Latin Americans themselves recognize some of the effect that the behavioural codes of *simpatía* have on trust in business.

The effect of particularism was also supported by empiric results from general informants. Many doors were said to close for unexpected reasons, and allegiances to third parties are common and hard to estimate. Rumours inside an industry about these allegiances are also common, and at some point companies need to realize that if their efforts towards a specific relationship are not bearing fruit, there might be a third party connection behind the incredibly polite façade of their counterparts.

You've got to remember that the private sector also has corruption, I can't tell if it's more or less but we also had many doors close on us because they had some businesses of their own and we couldn't get into that. The buyer would always get something from it, and it's no pocket money. -- Then you have all these rumours flying around and at some point you realize that it's just not going anywhere and there's no use to keep banging your head against the wall. One big company that we could never sell anything to, in other countries yes but in Mexico, nothing, -- they had some deal with someone. But the people are very pleasant. Always really pleasant. (Informant B)

This is in line with Osland and colleagues' (2007, 112) notion of Latin American business culture creating uncertainty that diminishes the level of trust, as it is defined by Grönroos (2007, 40) as one party's expectations that the other party will, in a given situation, act in certain way.

Another thing creating uncertainty is fatalism, which also arose in the interviews. Work methods were described as old-fashioned and not up-to-date, and decisions were described not to be necessarily based on carefully evaluated facts, exactly like described by Paavilainen and Wilska (2001, 321–322) earlier. However, informants were generally very positive towards this imperfection, did not seem to regard fatalism as causing too many problems, and referred to it more than once in terms of competitive advantage for the inherently rigid Finnish organizations, even though the methods might initially come as a surprise for Latin Americans.

-- the work is not that practical, or efficient, instead it's more formal, that they make a decision even if it weren't a totally informed one, but they put it into practice and implement it downward. In Finland you'd probably use the term old-fashioned. (Informant B)

-- this kind of concrete deadlines and such, that can come as a bit of a surprise to these locals at times, they can be a bit like whoah. So you can't be too aggressive but you have to have order and say that okay this is a good thing for both of us if we agree on these mutual stuff... -- it sometimes comes as a surprise to the Latinos that we want so clearly, or this kind of schedule like what is done and when. -- they can be a bit like okay so we're not going with the flow here and we should actually be doing something concrete. On the other hand they appreciate it, too. (Informant A)

References on Latin American business culture describe fatalism mostly as a negative thing for business (see for example Paavilainen & Wilska 2001, 322; Robles et al. 2015, 130), but positive features were talked about in the preliminary interviews. For example, flexibility is said to be the norm in Latin America when the situation requires it. People take pride in ultimately delivering, however, which is the other side of the coin, the other being the lack of beforehand planning.

The flexibility is really great, that everything just works out and people stretch, so for example no one expects to go home at 4PM, instead they stretch and they take pride in the fact that they can pull it off. (Informant B)

This is in line with the concept of generalized trust (Lane & Bachman 1996) of Latin Americans, which results in their attitude of things being more reliant on fate and less controllable by individual effort (Osland et al. 2007, 117). Planning is therefore not seen necessarily as effective, when everything works out the same through flexibility in delivering, even if it were in the last minute.

Language came up frequently interviewing the general informants. In Mexico for example, the language barrier was said to be many times the first obstacle that foreign firms encounter. Local language skills were especially said to foster trust in Latin America. When a foreign company is able to do business in the local language the process gets a lot easier. It creates a better understanding between parties, even if the Latin American representatives also speak English.

I think it's highly important that if for example a Finnish company has a sales executive whose responsibility Latin America is, he should be able to pull himself together and speak at least some Spanish. And rather fluently of course. (Informant A)

Even in the case of the Latin American business partners speaking English, when it comes to trust it was recommended to have at the least a Spanish-speaking link between relationship parties. Mexicans and Finns for example were said to easily get along when having a common language, but many Finnish companies pair up with local partners in part because the language barrier is so impeding, which in turn creates a larger dependency on the information provided by the link in between when the exporting company is not able to talk to customers or partners directly.

Yeah trust needs to be built, and what brings trust, one thing is speaking the language. A lot of people speak English of course but not everybody, depends a bit on the business sector... But I would say that trust, and the language, so then the Finnish company should partner up and have a local partner who can speak Spanish -- (Informant E)

This is in line with the notion made by Paavilainen and Wilska (2001, 331) that trust is immediately greater when you can speak the local language. However, this was emphasized more strongly in the interviews.

Another theme frequently discussed during interviews was the effects of the lack of trust on a societal scale, and the bureaucracy used apparently in order to fill the resulting trust gap. The difference in mentality is described well in the following quote:

I'd say the biggest difference between Finns and Latin Americans is probably, on a societal level, that in Finland you're innocent until proven otherwise. And there [in Latin America] you're guilty. (Informant D)

This is almost word to word with Osland and colleagues' (2007, 112) description of the Latin American mentality: "the perception of human nature is seen inherently as evil rather than believing in good intention". In addition, this mentality has important consequences. For example, if no personal relationship is built with the Latin American counterpart, foul play can be expected from the Latin American partnering firm without a possibility for the foreign affiliate to verify the truthfulness of communication.

If you don't build any kind of relationship with the guy who's selling the technology or whatever product here [in Chile], they can scribble anything to you in the emails, and you don't have any means of seeing if it's true or not. And this applies to 90 per cent of all markets -- but especially in these countries here, it's just extremely important that you let the partner know in a way that you are there, and you plan on being there in the future. (Informant D)

This seems to be a result of a relationship where trust has not been established (Paavilainen & Wilska 2001, 310), and the extent to which informants warned against this happening did come as a slight surprise.

The bureaucratic structures found in Latin American societies can also surprise. It was said that even though Finland has a good and trustworthy reputation, Latin Americans can be very suspicious, and strict bureaucracy attempts to relieve the suspicions and improve cognitive trust (Dowell et al. 2015, 120): according to interview evidence, one has to be able to show references, working after-sales services and proof of everything *on paper*. Finnish quality is known and trusted in many fields of business, but in Latin America statements on black and white seem to be the ultimate reference, and mere advertisement is not likely to be trusted. Bureaucratic overregulation seems to be a common characteristic in some areas of business.

Well the same thing applies to companies as well, and their products, they need to have the paperwork and the certificates in order for them [the client] to go ahead and buy it. It's because of overregulation, they overregulate some things and others work very flexibly. (Informant B)

This can partly be seen as a result of an inefficient legal system in many of the region's countries (Paavilainen & Wilska 2001, 310), as people and organizations try to minimize risks themselves by requiring certificates on paper.

In addition, bureaucracy seems to have important links to interpersonal trust when dealing with money. Although it is clear that in Latin America the strongest generator of trust is the personal relationship, this does not apply when it comes to money. During the interviews the fact came up that one should never trust people with money-related issues in Latin America or other developing countries for that matter, even with flawless track records. Terms of payment were said to be very important to establish and control has to be maintained. The credit system in Latin America still does not work as efficiently as in first world nations.

Consider whether to trust, and better if you never do. Depends. (Informant B)

It is interesting to note that even though interpersonal trust has been established, money seems to be a different story and trust should never be extended into money-related agreements. Instead, the trust in the business relationship seems to come down to things like not changing partners and always ordering the partner's services. When asked about this paradox, Informant B answered:

No but you can't take the risk, not with money. Even though you trusted them to make a delivery, their track record is not the sort, or their company in the kind of condition that you could give them credit. But you can trust them to use only your products and that they'll do their part of the contract, --

Control of money is additionally not considered as a sign of mistrust. Installing surveillance mechanisms where misuse of money is likely to happen is advisable to avoid opportunism.

Nothing big in my opinion, we never had any kind of frauds, probably we put down a strict discipline right from the start so that the opportunity for it was small, and always tried to chain the money handling process that one person never has the spending power. And we put surveillance in the critical spots, and then again trusted the people.
(Informant B)

This evidence would suggest that even though process-based trust is an important way to build trust also in Latin America, it does not cover trust in terms of money. This exception did not come up in previous literature on Latin American business culture.

4.2 Commitment

This chapter discusses the findings on how the concept of commitment is manifested in Latin American business culture in the light of general informant interviews. Themes that in the interviews presented noteworthy implications for the commitment concept were the following: follow up, local presence and fatalism.

According to general informants, commitment is usually high once the committing level has been reached. Latin Americans do not easily or abruptly change business partners or cooperatives. This is partly due to the fact that personal relationships are emphasized in Latin American business culture, and that relationship has usually been established at the level where commitment eventually forms.

-- it's the business partner that they won't switch, not that fast. They really keep the same partners so that's the commitment then, and also it's because of the personal relationship. (Informant B)

This conforms earlier literature stating the same thing about commitment and friendship being fairly durable in Latin America (Osland et al. 2007, 111). Also abiding to previous findings on the cultural theme of particularism, according to general

informants, it is a very prolific feature of Latin American business culture to think that all tasks are favours. When someone produces something for someone else, be it no more than the things explicitly stated in a contract, there is always the expectation of reciprocity, and this might come up negotiations.

But in the private sector too... I always keep saying this, it's often in the culture that hey I'll do you a favour, what's in it for me. (Informant B)

It is thereafter implied by Informant B that particularistic customs make money not the only instrument of exchange. This illustrates the personalistic and particularistic nature of Latin American business culture already discussed in previous literature. Evidence therefore backs up the notion that the extra effort demonstrating commitment (Grönroos 2007, 41) is manifested in the common Latin American discourse of all business transactions being perceived as favours to a friend, rather than formal obligations in a contract (Acuff 2008, 155).

Preliminary interviews also brought up a theme that seems to bear high importance. The informants stated that after meeting a potential Latin American partner, it is generally possible to fairly quickly establish whether the companies are compatible in a business sense and whether the two can make profit from the value offerings in question. However, the hard part seems to be everything that comes above and after this to get the partner to commit to represent the product or service in the best possible ways after the Finnish representatives have returned home. This was referred to as follow up.

Yeah, that [follow up] is what it all depends on. The fact that you meet a person and you have a good product and both agree and understand that this product is apt for the market and it's sort of attractive for both parties, that's pretty quickly established if it is or isn't. But that you get them to commit to the promotion of the product, also after you've gone back home, that's when the actual work begins. Often it's just forgotten that the work is not in finding the partner, but the work is more in dealing with that partner afterwards. (Informant D)

According to general informants, the things that Finnish companies have required most help with are communication and reaching their Latin American partners after initial meetings. In the beginning of negotiations a lot can be promised by the Latin American partner company, and things might look very positive. Contracts are signed, people are enthusiastic, and everything points to the relationship heading for a good start. This is many times interpreted by the Finnish party as a sign of an easy deal and the start of a good partnership. However, judging by general informant interviews, this seems to be a frequent misconception among Finnish companies beginning partnerships

with Latin American partners, as it is very common that after the positive start, the Latin American party seems to lose interest completely and may discontinue all communication.

Maybe the fact that it looks so positive in the beginning, or many people think that oh this was pretty easy or hey we're going to get a fast deal from these guys or something, but instead it takes time and it can be something that maybe comes as a surprise...
(Informant E)

So where Finnish companies have requested a lot of help is that hey could you please call this guy from this and this company and ask what's the deal, I don't understand why, but they just won't answer emails. Or if they do it's after a couple of weeks and...
(Informant C)

All of the general informants mentioned this sudden loss of interest, which did not explicitly come up in earlier literature. However, according to Christiansen (2012, 211) commitment should be clearly observable in daily relations in Latin America, communicated through friendly gestures and informal interaction, which in turn implies that if these gestures are not being seen from the partner, it should be a clear indication that commitment does not exist.

In the majority of experiences talked about by general informants it seems that commitment has not been established even though agreements are made in initial meetings, because experiencing this abrupt loss of interest is common. General informants suspect this occurs partly due to the emphasis on positivity by Latin Americans: they do not want to put to words anything negative and excessively emphasize positivity (Osland et al. 2007, 110; Paavilainen & Wilska 2001, 305), which results in complete silence or euphemisms from their part. According to Christiansen (2012, 211), this should be interpreted as lack of commitment at the present stage of the relationship, not wanting to verbalize the possible unwillingness or lack of interest to continue the relationship. This specific cultural barrier creates misunderstandings, because it is hard for Finns to perceive a subtle 'no' instead of a straight-up one, especially as the loss of interest can happen when a contract might already be signed.

Well in this case they obviously were direct but there can be cases where nothing just happens. -- It is so that people here really don't want to say unpleasant things directly. If they decide they don't want to cooperate with someone they just beat around the bush and don't say anything really. Or simply nothing happens. (Informant A)

Yeah, but maybe it's the fact that it's so hard to say no for them, and then they don't say anything. It's easier to hide and forget it than face it and say hey this turned out not being what we were looking for, sorry. (Informant C)

Personalism, as well as particularism, may also play a part in this seemingly odd behaviour. According to Osland and colleagues (2007, 111), in Latin American business culture commitment is fixed first and foremost on people rather than formal contracts, and if the appropriate people do not feel personally obliged to produce for a partner, they will not be made a priority. This would be exactly the case, if we assume that the Latin American partner's commitment has not yet been built between the people interacting between the two organizations. If commitment can only be built between persons, and if all work is seen as favours to a friend, it is possible that without the personal relationship basically nothing can be expected to happen.

It was many times said to come as a surprise for exporters that things do not happen in Latin America merely because a contract was signed. The exporter company might discuss all the details and eventually send the goods, and still be wondering why nothing happens or is heard about the partner. Latin American partners seem to not be that independent in the beginning where communication and agreements seem very positive and easy. According to general informants, deals are never actually produced if follow up is not exercised by the Finnish exporter. Communication and committing procedures need to be continuous throughout the course of the relationship.

-- it comes as a surprise how much conversations and contact you need to have with the partner, and come to visit. It's common to just leave it like okay so everything's figured out and settled, and it'll go on from here. Then they leave and head on to other markets. And then they wonder a bit why they're not hearing anything, like we shipped the goods and everything so I wonder what the problem is... So maybe that comes as a surprise that things don't work independently here, but you have to have regular conversations. (Informant D)

-- so the meetings are always very positive, and it's always super important to have follow up. Like often in the meetings parties can settle things that won't however happen if a decent follow up is not done on behalf of the Finnish company, so -- communications needs to be constant, that the company send messages and they are answered and so on. (Informant E)

It was, however, highlighted by general informants that even though it is easy for a Finnish company to perceive their Latin American partner as uninterested due to the lack of communication, this is not necessarily true. The partner may well be interested,

only not committed. From the Finnish party's perspective the silence subsequent to initial agreements might seem like their potential partner has forgotten the whole thing. According to general informants, it is required from the Finnish party to push, remind, and impose, and actively follow through up to frustrating lengths, even when the interest in cooperation does exist. Commitment does not directly follow enthusiasm; one has to be extremely patient and expect having to work for any response.

Well I mean you have to be very patient. Things don't happen in a day, and we've said time and time again to these Finnish companies that when you come here you have to be really patient. -- If a Finnish company comes here and they meet someone and this Mexican party then promises the moon and the stars, they have to be in contact so much after the meeting and do the follow up, call after them and send emails, -- (Informant C)

You got to push push push and do the follow up and it's even frustrating and you feel like they have no interest in it whatsoever, but it's not like that, you just have to push push push so that things get done. (Informant B)

In fact, all general informants strongly highlighted the need for Finnish companies to actively and even aggressively engage in follow up procedures towards their Latin American partners in order to cultivate commitment. This was by far the most emphasized feature of commitment manifestation in Latin American business culture. Therefore it seems that the demonstration of commitment cues, emphasized in the commitment criteria by Dwyer and colleagues (1987, 19), mostly fall on the shoulders of the foreign, in this case Finnish, side of the partnership in order to foster commitment and to get everything done. This is somewhat contradictory to Paavilainen and Wilska's (2001, 307) notion that the failure to maintain a constant input flow in both directions by reciprocating the commitment-signalling gestures will hinder the perception of the other party's commitment. Input flow from both sides definitely does not actualize in the beginning of the relationship in the cases described in general informant interviews.

Consequently, Latin Americans partners do not seem to make a lot of effort in order to advance a relationship by pursuing a win-win situation per se. It seems that additional insight should be sought in order to figure out why Latin Americans feel, at least looking from a Finnish company's standpoint, that they do not need to participate in the mutual display of interest and follow up procedures in the early stages of the relationship, even considering that the fruit it bares would be beneficial to both parties.

Even though pursuing committed customers and partners is universally desirable to product or service providers (Halinen 1996, 62), the need to continuously be in touch in order to foster commitment was many times considered a big difference to other markets. According to Informant E, sadly many relationships between Finnish exporters

and Latin American partners end because the lack of follow up procedures and hence lack of commitment.

-- unfortunately it often happens that the follow up is not executed properly. Not enough. (Informant E)

The ideally persistent and consistent cooperation with the partner can be hard for a foreign-based company resource-wise, as one sales manager usually has a lot of countries and geo-cultural regions to handle.

-- you have to commit long-term to operating together with the partner, which is obviously challenging in the Finnish company's perspective, because we usually have quite a lot of countries as the responsibility of one person -- (Informant D)

General informants presented a few insight examples as for the differences in mentality in Finnish-Latin American dyads. As noted before, things do not happen in Latin America merely because a contract was signed. Instead, Latin Americans might stay and wait for confirmatory actions from the Finnish party, who in turn may already consider everything as a done deal, and expect the partner to start taking the necessary steps independently. In this case it is therefore important that the Finnish side provide the sought confirmation before proceeding to actually fulfilling the contract.

Well [commitment is communicated] of course with constant communication, which is probably the fist difference you encounter here -- in order for things to start advancing here with a new agent for example, it can take a lot longer than what it would take elsewhere or in Finland. So if you take a new agent here, they might be a bit like oh, is it really happening? Like okay we really are their agent but how are we going to do this? In a way you need to hold their hand a lot more and be very active as the Finnish party. (Informant A)

An example on the importance of having close communication in the beginning of the partnership is from Mexico, by Informant A. A Mexican agent was chosen by a Finnish exporter to promote and sell their products in Mexico. They had explicitly informed the company about them being chosen for the job, but the Mexican company did not think this was true and that something must have happened, because they did not hear anything from the Finnish company after this announcement, and were specifically waiting for price lists to be sent in order to begin sales promotion. The Finns had sent the list, but it had gone missing in the mail, and both parties were waiting for the other to do or say something, wondering why they had not done so. In the case of two Finnish

companies the partner probably would have been inquiring about the price list explicitly, but the Mexican party was too polite and not independent enough to engage this way. According to Informant A, the Finnish company should in this case have taken an active role in the process and asked about the status of each stage in the process, so that communication voids would have been avoided.

Informant D provided an example of another type of motivation for requiring follow up attention besides the effects of personalism. In her experience, if a Finnish exporter does leave their follow up and engaging activities on too narrow terms, the partner is likely to perceive that the exporter firm is not interested in the market, in which case they will probably discontinue active promotion of the product for which they feel not enough support is being provided from the exporter.

In the real-life example, a Finnish company started to sell their products in the biggest pharmacy chain in Chile, probably meeting them through an industry trade show that had allowed them to find out about the market. However, the Chilean market seemingly did not rank that high in the Finnish manufacturer's priorities, and follow up was not executed sufficiently for the distributor to continue with the product. After two years the company discontinued sales. According to Informant D it is difficult to know exactly how much money and effort was lost in the two years of getting the product on the shelves in Chile, but the example regardless illustrates the importance of follow up.

It appears that products of companies that provide more follow up and support are focused on more when allocating resources between clients, as agents or distributors usually have many products or companies to represent at a time.

Here the livelihood is taken where it comes the easiest, and often these partners have other relationships to represent as well, so if one product sells better and easier, that's where they're going to concentrate on because that's where the money comes from, especially if the Finnish company has forgotten their existence and comes once a year or so to say hello and that's it. It does require the Finnish company to invest in creating the relationship -- (Informant D)

Follow up then becomes an important tool in order to ensure sufficient representation resources from the partner/agent in relation to other brands or products in their portfolio. This motivation did not come up as such in previous literature. In the case in question, the Chilean party had clearly experienced a lack of follow up and communication about the willingness to continue of the Finnish company, provided it was there, which is probably in part why they discontinued with the products and made room for other more active partnerships.

It seems to be a common theme in Finnish-Latin American partnerships that Latin Americans require a lot of communication, attention, and following up on tasks from

their partner, whereas Finns experience little input from their counterparts. Most of this disparity is probably explainable with cultural differences. Follow up did not appear in previous literature as the means to foster and ensure commitment in Latin America. It is possible, however, that the Latin American definition for lack of communication or the limit what is enough or not, is higher than in Finnish business culture.

The cultural theme of fatalism also brings additional insight on the fact that in Latin American business culture commitment is directed first and foremost to people rather than formal contracts or plans (Osland et al. 2007, 111). According to general informants, this tendency often appears to the Finns as lack of structure in working methods. Latin Americans perceive many things as to not be in their immediate control (Osland et al. 2007, 117) and organizations do not use schedules and agendas as widely, instead things are done in a manner that seems appropriate at a given time (Paavilainen & Wilska 2001, 321). It is, then, logical that the rigid expectations of Finnish companies of how to coordinate work many times comes as a surprise for unaccustomed Latin American organizations and their members when the two work together.

According to general informants, there are several things in the Latin American business practice that make the commitment to plans difficult, but do not represent the lack of commitment, only the different understanding or where commitment should be directed. For example, following up on decisions and tracking management systems is not always up to date with Latin Americans.

Yeah but you have to push them for the job to get done, and follow up in general and following through on certain decisions and monitoring systems, that's often not their strongest ability. (Informant B)

Concrete suggestions on how work should be executed can also face a difference in mentality. According to general informants, concrete execution plans and schedule suggestions can even be surprising to Latin Americans, as they are more inclined to fatalistically go with the flow, which can make the other party of the agreement question the commitment of their counterpart. On the other hand, Latin Americans appreciate the tangible organization of the work.

I don't know if they're startled but they can be a bit like okay so we're not going with the flow here and we should actually be doing something concrete. On the other hand they appreciate it, too. (Informant A)

Then we always tried to agree on the next steps the Finnish way like who does what, and that was new to them, and sometimes it worked. (Informant B)

The inadequacy of beforehand planning and low need for control associated with fatalism can, according to general informants, also be observed in the use of money that can be quite careless, whereas Finns for example are very strict on money also in situations that seem relatively meaningless to Latin Americans.

And I've got to say about money, Finns are so strict with money, like you go to dinner with friends and you count what was the exact share of each person, and in everywhere else too, but for example Mexicans can't tolerate planning ahead three months to get a cheap flight. They can't stand if you searched for the cheapest flight and then you plan that okay if we take the bus from the airport we can save ten bucks, they just can't deal with it. They just go and spend whatever. (Informant B)

The low need for control and operation plans illustrates that Latin Americans do not necessarily perceive commitment through deliveries or met deadlines. As due to fatalism people in Latin America feel that in many aspects things are not controllable (Osland et al. 2007, 117), commitment to plans is made pointless, while commitment to people and relationships becomes more important. However, it was also pointed out by Osland and colleagues (2007, 117) that the pressures of the global market economy are slowly but surely changing the focus also in Latin American organizations, so even though some persistent features do remain as general informants demonstrated, fatalism probably should not be regarded as too overbearing a feature in Latin American business culture anymore.

Also, the remnants of fatalism seem to not be purely of negative effect. With established commitment comes flexibility in serving the partner: everything pulls together, people stretch extra and do not mind spending extra hours at the office if needed. They have a certain pride in getting everything done eventually.

The flexibility is really great, that everything just works out and people stretch, so for example no one expects to go home at 4PM, instead they stretch and they take pride in the fact that they pull it off. (Informant B)

This can be seen as the other side of lacking beforehand planning, and as a sign that although things are simply done in a way that seems appropriate at any given time in Latin America, without much organizing (Paavilainen & Wilska 2001, 321), it does not mean that things are not done at all.

Equal to trust formation, general informants also expressed the importance of local presence for commitment building. This can be considered a logical similarity, as both trust and commitment are said to be mediated first and foremost by the personal relationship. According to Osland and colleagues (2007, 111), commitment is fixed on

people rather than on formal organization structure or explicit contracts. Adding with the concept of particularism, this means that even though it is the formal obligation of a company's staff to work for a specific client, the client will not be made a priority, if the appropriate people do not feel personally obliged to them (Osland et al. 2007, 111). All business interaction, including transactions, is perceived as favours to a friend, rather than obligations derived from a contract (Acuff 2008, 155). Therefore in Latin America it is crucial to build a personal relationship with one's partners in order to foster commitment in the business partnership.

It is suggested by general informants that local presence acts as a mediator in building the personal relationship, as discussed in general informant results on the trust concept. When asked about any specific measures that Finnish companies could take in order to communicate commitment, general informants named face-to-face meetings as an important element, despite all the modern communication tools. It was said to be easier for example to talk about delicate subjects face-to-face with Latin Americans.

Well meeting face-to-face, that's really important. Even with all the modern communication tools it's still not the same. Face-to-face you're more likely to, or it's of course easier to talk about more delicate things in person. And here people appreciate a lot when someone travels all the way from abroad to meet them. (Informant A)

In addition to frequent travelling, meeting and spending time face-to-face, there were other suggestions for being present: providing local presence in the form of a person reachable by phone at all times, without the inconvenience of time differences (Informant E, Informant C), and creating a family atmosphere with the partner, for example by inviting them to visit production site or offices in Finland (Informant A).

This can be seen constituting as the first criteria of commitment by Dwyer and colleagues (1987, 19): input that is communicated through behaviour and actions. The Finnish party must exhibit actions that speak out their willingness to engage, and in Latin America it seems that the willingness to meet and spend time together is a powerful cue. Spending time face-to-face can be seen as emotional input, or a gesture that is personally appealing to the partner. Emotional input is said to be especially appreciated in Latin American business culture (Osland et al. 2007, 114).

Therefore it can be said that local presence or actions promoting local presence constitute as important inputs for communicating commitment, and, according to general informants, local presence is a driver for a personal relationship to form, which in its turn is a prerequisite for commitment in Latin America.

As well as ensuring sufficient follow up, local presence also expresses being serious about the market. If no local presence has yet been established, it is important to make sure the partner knows you are working to make it big in that specific market by visiting

frequently and involving the partner in creating the success. In addition, as previously discussed, the possibilities for relationship building activities like into spending time together on lunches, planned or unplanned, that could last hours, are fewer with no local presence. Informant A gave an example of an excellent performer in terms of local presence:

Especially in this company's field it's important to have local support and understanding, so that the partner feels like okay, they're not yet established in the market here but they're clearly working to get there. They're the ideal case because they understand that you have to be present here, you need to engage and -- this guy gets it that you can't just visit every year or so but you have to come more often, it's so important. And indeed emails and phone calls, they're not enough. (Informant A)

There was said to be a big difference in the mentality: the exporter has to be present in the market in order to communicate the desire for activities in this particular market to bear fruit. Being able to further sell the product in the market is the basis for the agent's business, and if the agent feels the exporters are not serious about the market, they will also not be serious about the product and will therefore not want to commit.

Well he [the Chilean] is going to think that the company is not interested in the market. And that's when he'll also move the product aside. He'll work for those that bring the best money in. Because for his business it's important to get the product and the business running, and if he thinks that this guy isn't serious, then he won't be serious either. (Informant D)

Therefore clear and continuous signs of commitment also towards the market are important from the exporter's side. These signs include local presence in the form of establishing local support network or frequent visits, and engaging the partner. This can be seen as a part of communicating behavioural commitment (Halinen, 1996, 62), when individuals and business entities continuously make decision and actions that enforce the relationship, observable by the other party.

4.3 Attraction

The difficulty for even scientists to agree on an apt definition for attraction (Ellegaard 2012, 1221) is reflected in answers of interviewees regarding attraction. The concept is clearly more abstract, and it may somewhat vary how each interviewee views attraction. However, many Latin American implications of attraction were detected. Noteworthy

implications for the attraction concept in the interviews were the following: *simpatía*, follow up, personalism, local presence and language, as well as foreignness.

The effect of the cultural theme of *simpatía*, or the emphasis on positivity and niceness in all public interaction, for one, was very visible on the attraction concept. Latin Americans find it hard to say no, and people might initially promise too much. It seems easier to wait for the counterpart to get the message without verbalizing it.

Mexicans are... they have a really hard time saying no to anything, which is also noticeable in the business world and the business culture, that they keep promising a lot but then won't necessarily stand behind their own words. -- it's the fact that it's so hard to say no, and then they don't say anything. It's easier to hide and forget it than face it and say hey this turned out not being what we were looking for, sorry. (Informant C)

This is in line with the statement of Acuff (2008, 126) where he recommends to give a “Latin no” instead of a direct one, in response to propositions that for one reason or another are impossible to realize. Positivity is always expressed but very few negatives. This is why has to interpret the level of true attraction and interest towards business propositions, because Latin Americans rarely are direct in not being interested in a proposition.

I wouldn't say they talk just for the sake of talking but they're always very positive and don't want to bring up anything negative really. But yeah, then you just have to sort of interpret how interested they in fact are, maybe from gestures and then of course do the required follow up. (Informant E)

-- these Mexicans rarely tell to your face that they're not interested in a product, they'll always say that they're interested, but to get to the level where selling happens, that's a long way from there. (Informant E)

This was argued in the work of Paavilainen and Wilska (2001, 305), stating that *simpatía* translates to very cordial responses that still do not necessarily indicate deeper interest but only the willingness to be polite, which very well illustrates the general informants' stand on the matter. According to the general informants, a good indicator of genuine interest, however, is the moment when the Latin American party starts asking for concrete details about the product or the proposed contract.

That is a good sign when they start asking for prices and specific terms of contract and all that, then you'll notice that the guy is truly interested in the product and if you then get all the way to signing a contract, then you're on a good path. (Informant E)

As was already discussed in examining the effects of *simpatía* for trust, there are exceptions to how Latin Americans regard *simpatía*. At least Chileans were said to appreciate the directness of Finns and their very matter-of-fact type of approach.

-- Chileans for example do really appreciate that Finns have this straightforwardness, and that Finns are pretty honest. Finnish people tell how things are, and are very kind of technology-oriented. And -- because it [the Finnish way to talk] is so factual. These people here understand this kind of engineering type of way of talking, so in case of some new technology, this is the technology and this is how it works, pros and cons, how it compares to competition. And that's what the Chileans like. (Informant D)

This is in contrast with the said requirement of overall niceness and avoiding direct negative answers, as directness is said to somehow add to the attractiveness in the case of a Finnish exporting company.

After sales follow up is said to be the most dominant feature of attraction management in Latin America, from which the continuation of the relationship and commitment also depends on. General informants expressed that when meeting a potential partner, it is possible to fairly quickly establish whether the two companies are compatible in a business sense, but it is a question of what comes afterwards that defines if enough attraction is generated in order to engage in a relationship and realize the potential the partnership offers.

Yeah, that [follow up] is what it all depends on. The fact that you meet a person and you have a good product and both agree and understand that this product is apt for the market and it's sort of attractive for both parties, that's pretty quickly established if it is or isn't. But that you get them to commit to the sales of the product, also after you've gone back home, that's when the actual work begins. Often it's just forgotten that the work is not in finding the partner, but the work is more in dealing with that partner afterwards. (Informant D)

Hence general informants seem to suggest that the possibility of reaching a win-win situation, emphasized by the resource compatibility view on attraction (Halinen 1996, 59-60), can be worked out quickly in terms of monetary gain, as well as the reward-cost balance in the reward-driven view on attraction (see for example Dwyer et al. 1987). However, intangible and personal factors are also considered equally important rewards or resources to be taken into consideration, according to both views (Bonoma & Johnston 1978, 215; Ellegaard 2012, 1220; Halinen 1996, 59; Thibaut & Kelley, 1959,

12–13), while also it is not possible to form attraction from a “professional distance” (Ellegaard 2012, 1226). Both statements present a foundation whereon to base the need for follow up and continuous contacting. Being on good terms with the partner personally is important in order for them to keep promoting the product. Hence according to general informants, Latin American partners are likely to want much closer interaction than what Finns are used to.

In order to get the partner to actively promote your product in the market, you have to be in good terms with them. (Informant D)

-- Whereas here the partner wants that you cooperate and engage with them a lot more closely than what the Finns are used to. It's a bit like out of sight, out of mind. (Informant D)

Follow up is therefore likely to ensure that this particular relationship is prioritized by the Latin American partner, because according to Ellegaard (2012, 1224–1226), continuously presenting stimuli relationship parties are able to affect the decisions and the behaviours of their partner and optimize exchange outcomes. This means that by presenting stimuli in the form of follow up and constant contacting towards the partner, processes in the Latin American partnering organization are bound to be directed towards the mutual goals of this particular relationship, instead of other goals.

Staying in the minds of stakeholders is such an important factor in Latin American business that, according to general informants, it is also why Finnish companies usually have partners representing them in Latin America. The partner has a big role in being attractive for new customers, because a company many times has to somewhat establish itself in the market before clients start making contact. Attractiveness calls for a degree of establishment, which is most easily obtained by a local agent.

But this is why Finnish companies usually have a partner, because the partner can work persistently over a period of time -- and try to stay out there and visible in the market, and meet different people there, so if one says we're not interest at the moment, another could say they are. It requires a kind of permanent presence and network cultivation with the local actors. (Informant D)

After sales efforts and being active towards the partner are crucial investments in the market. Dropping after sales efforts is the biggest reason why Finnish-Latin American partnerships dry down, because Latin Americans want to feel that their partner is investing in the market in earnest.

Well the proactivity is always... In a way when you have the partner you need to train them too and be actively in contact and all that. -- (Informant E)

“And this after sales, you said many people leave it and then..?” (Interviewer)

It is the biggest thing to go wrong, yes, so you have to invest a lot of time in this market. (Informant E)

“What about if a Finnish company then neglects the follow up and the communication of commitment too much, what does the Chilean then think about that?” (Interviewer)

Well he is going to think that the company is not interested in the market. And that's when he'll also move the product aside. (Informant D)

This compliments the statement of Ellegaard (2012, 1224–1226) that attraction is valuable because it generates the need to attract. Follow up can also be regarded as a cost for the Finnish company, taking time and mental effort. If no resources are available to execute follow up procedures, it might tip the scales towards a negative relationship reward-cost outcome, following the reward-driven view of attraction (see for example Dwyer et al. 1987). Prior literature on Latin American business culture does not mention follow up as a factor influencing attraction in Latin America.

The effect of personalism is also visible in general informant interviews on attraction. Informant C, for example, has noticed that in Mexico, sending a small present can be a big driver for attractiveness. Being attractive for all communicative gatekeepers is important, and for example sending a small gift for a manager's secretary, who is the gatekeeper for reaching the manager, is likely to start communication on a whole new level.

-- I at least have noticed that immediately if you send a small gift, it's a really big thing for them. If we've sent a present for an executive's assistant as a thank you for helping us out in this thing, they've send thank you notes back and that's when the communication starts going through. 'Cause of course the assistant is basically the gateway to the manager, or they talk to him and all, so it really depends how you get along with them... (Informant C)

However, in Chile the attitudes towards personalism are stricter, and in the early stages of the relationship lunches and personal gifts are not appreciated in the same way.

-- it's because they won't even necessarily come for lunch right away, they can see it even as corruption. They might not come at all, or definitely not the first meeting. In

that sense these guys are a lot more reserved. -- So when someone tries something like that then I would imagine these people thinking a bit like oh wow. (Informant D)

Thus gifts are a delicate issue, although very powerful in the right situation, when it comes to attraction. Generally speaking, it is very common that Latin Americans seek a kind of closeness from the relationship. According to general informants, it is advisable to ask about the partner representative's children, hobbies and other non-business-related things and create a more personal relationship. The better the interpersonal interaction is and the better it is maintained, the easier it is to manage business activities.

This is probably pretty common in different Latin countries that they kind of want certain closeness from the relationship. Which... you need to remember to ask so how was your son's birthday party, and oh your football team lost, and create a more personal relationship in a way instead of just a business relationship. It very clearly -- helps things the more personally you know someone, because here everything is connected to personal relationships. Not so much who you know but who knows you. And the better personal relationship you are able to create with the partner, let's say it makes things a lot easier. (Informant D)

This abides by the definition of personalism as the intention to always give other people personalized individual attention (Osland et al. 2007, 111) and reaffirms that this behaviour feeds attraction in Latin American business culture.

Another pervasive characteristic of Latin American business culture is paternalism that especially manifests in the strictly hierarchical organizations structures, as well as in the rigid top-down decision-making processes (Osland et al. 2007, 114–116). As for attraction, this is a notable feature because in the decision making process there are not one, but multiple levels and actors of which the right one needs to be attracted.

Well in the decision making, and if there are multiple sides in the meeting, the hierarchy will show in the sense that the Finns have to direct their words to the correct individual, the actual decision maker. (Informant E)

According to general informants, it is important for Finnish companies, who generally compete with other attributes than price, to talk to the strategic level management and attract them especially. This is in line with earlier literature stating that being perceived as attractive by the operational staff of a Latin American partner does not directly result in overall attraction between two particular business entities. The multiple organizational levels along with numerous invisible decision-makers all need

to be convinced about the rewards or the proposed partnership. (Paavilainen & Wilska 2001, 319–320.)

Local language skills were also associated with attraction. In Mexico for example the language barrier is many times the first obstacle that foreign firms encounter, which says a lot from the attraction effect language skills have. Also, in the case of the Latin American counterpart not speaking English, general informants recommended an additional link between the partners, someone who can break the language barrier. However, the appropriate people having language skills to begin with would be the optimal situation.

-- so Mexicans and Finns get along just fine if they have a common language, and of course if the Mexicans happen not to speak English, then you have to have an outside consultant or a Finnish consultant... (Informant C)

I think it's highly important that if for example a Finnish company has a sales executive whose responsibility Latin America is, he should be able to pull himself together and speak at least some Spanish. And rather fluently of course. (Informant A)

Another preference of Latin Americans in choosing their partners, highlighted by general informants, was local presence. A very common requirement by Latin Americans seems to be that the partnering organization has a local after sales support unit. It was seen as unlikely for a Latin American company to choose a Finnish one as a supplier without them having a local support network for the product or service, which illustrates local presence as a factor in being considered as attractive. And if there is no possibility to establish a local presence in the country, frequent visits and additional work put in the relationship are a must for it to be successful.

Well of course the thing that people seek a lot here is the after sales support, that you can... it's not only buying the product but the presence on the spot is important, so I don't see Mexicans necessarily buying a Finnish product if it is so that the company doesn't have some kind of a support network here in Mexico, a local partner or someone who... -- Mexicans want to have someone who to call sort of in the same country (Informant E)

Additionally, although digital forms of communication are in frequent use, discussing face-to-face has a totally different effect on Latin Americans compared to calling from the other side of the world.

Of course today everything works through the Internet but I think in Mexico, it's really important to have these face-to-face meetings, it's totally different to be on the other side of the globe and then call and such so I think... no I mean you have to have the meetings. (Informant C)

The fact that the lack of local presence can be such a strong driver of attraction for potential Latin American partners, is an important fact to consider, and was not found to be mentioned or emphasized in earlier literature. Local presence can also be considered as a cost for the Finnish party, which should be included in the overall evaluation of reward-cost outcomes.

Four out of the five general informants also referred to the good reputation of Finnish and Nordic companies as a point that Latin Americans appreciate in their choice of business partner.

Well Finns have the advantage here that Finnish people have a great reputation. The Nordic countries in general. And Finland is known in Mexico and around Latin America pretty well, especially in the business world and they know that Finnish products are good and Finland has a lot of innovation and high education and little corruption, it always gives a positive start. It is also why they like to do business with the Finns. (Informant A)

The fact also came up that Latin Americans generally value foreign partners and their representatives somewhat above domestic ones. It was said that expatriates are a good investment in the Latin American market, because foreigners are usually valued simply for being foreign.

-- and foreigners are forgiven a lot. -- Yeah it comes up really often there, that foreigners are forgiven absolutely everything, you don't have to know anything about things, you don't have to have a high position in the firm but because you're foreign they'll listen to you, so if companies are thinking whether it's favourable to have expats there or not, then yes it is, even if it wouldn't be elsewhere. (Informant B)

Appreciation for foreign companies did not come up in literature concerning Latin American business culture, but as Grönroos (2007, 41) defines attraction as “something that makes a supplier interesting to a given customer”, or vice versa, judging by the general informant interviews, it seems evident that foreignness is one of the things that fits this definition.

On the basis of the general informant interviews, it is not entirely certain why this happens, however. It is possible that Latin Americans evaluate foreign actors to be able

to provide superior economic benefits, access to important resources (Harris et al. 2003, 12) or to possess other valuable rewards such as information, services, legitimacy, or status (Dwyer et al. 1987, 16).

What is more, valuing foreign actors and individuals seems to be in contrast with the similarity-attraction paradigm (Berscheid & Walster 1978; Ellegaard 2012, 1222), a universal human attraction theory. It argues that individuals with similar characteristics are likely to think in a similar way, which makes them support each other's views and have less conflict in their interaction, which is attractive to human psychology (Kelley, 1979; Ellegaard 2012, 1222). Finns and Latin Americans, however, are likely to have a lot of conflicting views, which are equally likely to become apparent in the relatively closer interaction that is required from all relationship building in Latin America, including business interaction. Therefore it is interesting that general informants think of foreignness as that big of an asset in Latin America.

5 CASE RESULTS

5.1 Case 1

5.1.1 *Trust*

This chapter will discuss the findings on the trust concept in Latin America from the interview of the CEO of Case 1 company, in comparison to the findings from general informant interviews. The company operates directly with its customers, without local intermediaries.

When asked about what is the most important thing in business relationships between companies, Case 1 informant immediately named trust, saying it is the thing that customers ultimately buy. In addition, it is hard for Finnish companies to compete solely on price, which makes trust even more important.

Trust. That's by far the most important thing that people buy from us in the end of the day. -- the stuff we make, when you look at especially the distances with the business there, nobody is going to come to us to buy from a country thousands of kilometres away if they don't have the trust in what goes on here.

In Case 1 informant's perspective the most important thing in business in Latin America was building interpersonal trust, and, as concluded in general informant interviews, that trust is especially directed to individuals and not so much to organizations. The most visible characteristic of the Latin American market in his opinion was that first one has to sell oneself to the partner, and when the partner buys in on you, the rest is skating, while in the United States' business culture, in contrast, industrial buyers are looking for results derived from a specific product or service.

Well it's precisely building that interpersonal trust, so there [in Latin America], trust is focused on singular people, not so much on organizations --

This aligns with theory. In addition, the amigo culture or doing business with personally known contacts (Paavilainen & Wilska 2001, 306) and the importance of contact networks was equally supported by Case 1 informant, although he said that this does not deviate significantly from the way things are done generally in their field, where the market consists of only a few big actors. However, what he finds positively

surprising in working with Latin Americans, is that if a promise is made *personally*, it will happen some way or another.

Well a positive surprise has been that usually when something is promised in person, I'd say on some level that will be taken care of.

In the general informant level of analysis, interpersonal trust was also concluded as the most important form of trust, formed through the personal relationship.

Local language skills, a strong theme in Case 1 interview, further illustrates the role interpersonal relationships have in trust building. Language skills were also frequently discussed in general informant interviews, where it was concluded that local language skills, practically the command of Spanish and/or Portuguese, especially foster trust with Latin Americans. When the common language between partners is the Latin American's native tongue, the process was said to become a lot easier. It creates a better understanding between parties, even if the Latin American representatives speak also English. These notions were confirmed by Case 1 evidence. Case 1 informant, as the representative of the company in this market, admits having trouble reaching the company's full potential in the market because he does not speak Spanish or Portuguese. Often the ones who speak English in the customer's management are lower managers with less power in their hands. This results in some communication difficulties towards the adequate hierarchy levels in the partnering company.

I have to say that I don't speak Spanish, my ass gets repeatedly kicked on that market because I'm not able to speak Spanish, and the customer's management doesn't have anyone with English skills, they're brand managers then who do speak it, but surprisingly often I find myself not being able to communicate with someone in a board of directors, or explain things in the right way because of these barriers.

Case 1 informant sheds light onto why the local language fosters trust in the relationship. He says the capability of communicating in Spanish in his case would be crucial for trust building, because it would permit a much closer personal relationship with the important people in partnering companies and the industry by allowing him to engage in the countless business lunches, dinners and events.

-- so, again, I should be able to communicate in Spanish so that I would be closer with these people -- Well it would helps sales work and surely in building trust, too, if we'd have a common language, and then all these events, dinners and such it would be an excellent advantage to engage in conversation on a different level as opposed to

being the only English speaker in the crowd, it's pretty nasty... I don't mind it personally but as far as business goes it's not the best possible situation.

Therefore he recognizes an effect local language skills have on business performance, especially considering their chosen strategy in the Latin American market, which does not include local intermediaries. In fact, he even states that the lack of Spanish skills is one of the biggest challenges the company faces in operating in the Latin American market. Case 1 is very interesting and illustrative in the sense of language skills importance because the informant, being the one personally dealing with Latin American customers, does not have Spanish skills, but very clearly sees the obstacles this creates in the market.

Additionally, the importance of spending time together outside business hours was another thing the general informants highlighted as for creating a personal relationship beyond a mere business partnership. Face-to-face interaction was seen crucially important as a part of this, and mentioned also in prior literature (Robles et al. 2015, 126). Therefore, it was concluded that a certain level of local presence acts as a driver for trust formation. According to Case 1 informant, reaching an adequate level of trust is essentially linked to face-to-face contact. He says business talks with the potential partnering organization might take place, but eventually no-one will re-enter the subject or get back on details if there has been little to no opportunity for face-to-face contact.

Well the fact that if you get to a certain level of trust it feels like people are in contact on a totally different level, too, more regularly, versus if you don't have that trust them people might have talked to you about stuff but it's not like anyone's likely to get back to you on that. Then again people I've met so and so many times there in different events and so on, and they've seen me like five to ten times, they won't be leaving me hanging in business related questions either anymore.

This suggests establishing personal trust requires a certain amount of personal contact and face-to-face interaction, which in turn requires physical presence, already emphasized by general informants but not by earlier theory. To meet with someone five to ten times obviously requires five to ten visits to the Latin American site. Ideally, according to Case 1 informant, their company representative should have some kind of permanent presence on the Latin American site in order to take partners and customers out for the seemingly meaningless idling. The company does not have this presence at the moment.

Then again that [meeting] of course requires a lot of footwork, so this market is definitely not conquered through Skype. That's a given. You have to be there on the

spot. All those plane tickets... and then live there, we would need some kind of permanent existence there so we could take people for a cup of coffee, --

On many occasion does he emphasize that he has realized how important local presence would be to cater for the Latin American market. In his opinion nothing really gets done without it, which can also be frustrating. He says establishing a whole office on site is not necessary, but there is the need for having even a single contact person locally for customers. Frequent travelling is also an option, one that Case 1 company is using at the moment, but it is also tiring and time consuming.

Conclusively, Case 1 evidence supports indications to local presence being important for trust formation in Latin America. General informants concluded it as unlikely for a Latin American company to buy anything from a Finnish one without the seller also having a local support network for the product or service. As for Case 1 not having local presence or a local intermediary in Latin America at the moment, it has been necessary for them to boost their apparent trustworthiness by other means, in their case providing a lot of strong industry references.

-- we do all of our work from Finland so in order for the overall faith in us to even be there... and this faith specifically comes based on these references, so that's basically why they have to courage to buy from Finland.

Local presence as a driver for trust has seemingly not been emphasized enough in existent literature.

In addition to local presence, business with Latin Americans also requires a lot of extra time. Case 1 informant said he was surprised by the amount of time that all business activities involve, which seems to be derived from the cultural theme of fatalism and its implication for the trust concept.

Although general informants did not see fatalism as a highly impeding cultural trait and even talked about positive sides like flexibility in tough situations, Case 1 informant seems to regard its effects as one of the major challenges in doing business with Latin Americans. This mostly has to do with the different attitude towards scheduling. As noted by general informants, the Latin American view on schedules is looser and less pragmatic, and deadlines may not be considered that concrete. Case 1 informant lists a number of ways how the different views complicate business activities.

First of all, because the company does not have a local office in Latin America at the moment, flying back and fourth is a reality for them. This leaves little time to spend on one trip, and as in Latin America most planned meetings do not happen at the previously planned hour because of the constantly changing schedules, there is little chance for rescheduling. This means that many meetings actually will not happen at all.

And these schedules are a thing that at least in this flying back and forth situation -- it's probably the dreariest thing because the meetings reschedule in that part of a world in an unimaginable way, just last week we had people in Mexico Wednesday to Friday and prescheduled meetings that the guys just didn't show up to and then they ask like you couldn't do this again next week Wednesday or Monday, could you? And it's like no, we really can't because you have known for two months that we are coming on these specific days. So this kind of hurdle is more or less day-to-day stuff.

It feels like things are not proceeding unless we go there and visit them on the spot. Especially in the business side we can't get things done without popping over and it's ridiculous that when we do they might find the scarce hour for a meeting even though we come from this far away so...

This does not, however, cause trust issues for Latin Americans, while non-Latin Americans might perceive it as a lack of predictability (Grönroos 2007, 40). Case 1 informant notes that they are working with very big companies, who are experienced in buying services abroad and should be aware of all this kind of limitations, but still cancellations and rescheduling happen.

Second, the lack of predictability also includes decision-making. Case 1 informant says decision-making processes are incredibly complex with different power relations, which often postpones the beginning of work projects.

-- the time that all business takes is incomprehensible. So there needs to be an x number of decisions and decision makers involved or maybe the top decision maker will decide in the end but he's incredibly hard to directly influence. And this postpones the beginning of projects significantly. -- Yeah, it could easily take three to six months from what was originally planned to actually get started.

This statement clearly demonstrates that certain promises linked to scheduling are not kept. This supports the findings of Bianchi and Saleh (2011, 263) who found that in Latin American business culture environmental volatility has no significant effect on trust in the relationship, but in an international business relationship involving a Latin American and a Finnish company there is a noteworthy difference in attitudes towards schedules, that for the Finnish company are often the basis for managing revenue flows. The evidence on the fatalistic nature of Latin American business culture, however, is in line with previous literature on the matter.

Case 1 informant also reaffirms the Latin American cultural trait of *simpatía* and its effects on business. He says for example that the small talk mentality is obvious in

doing business with Latin Americans, and similar to the US business culture. He describes the verbal idling foregoing business talks and talking about other than business things as the overall style of interaction.

However, already in the earlier analysis phase there appeared to be a contradiction within how theory views the effects of *simpatía* and how the general informants saw them. Previous theory suggests that in Latin America a sugar-coated approach is necessary for social interaction and also in business (Osland et al. 2007, 110–111; Paavilainen & Wilska 2001, 332), whereas general informants concluded that Latin Americans truly appreciate the straightforward attitude of Finns when presenting business related issues. This contradiction was complicated further by Case 1 evidence.

According to Case 1 informant's experience, the straightforward approach of Finns is not always understood in Latin America. Latin Americans might startle when he approaches things too quickly. This is again in contrast to the straightforwardness claimed by general informants to be appreciated by Latin Americans. Case 1 informant perceives that because the meetings and negotiations in Latin American business culture include more than merely the discussion on strictly business matters, fewer actual points tend to be addressed in a given amount of time. The Finnish style of presenting readily considered solutions for the customer for any problems seems to him to also be too fast for Latin Americans. He says that they would much rather start at the very beginning and process all of the information, regardless of what the eventual decision will be. In his experience his Latin American counterparts may also lack the same level of understanding on the importance of strategy, in which case paying for the strategic thinking part does not necessarily seem justifiable for them.

"Is it that they're scared of how quickly the actual stuff is discussed or...?"
(Interviewer)

Maybe that, and then the fact that we've chewed it up for them, like for them we have to start from the beginning even though we've chewed it ready for them already so if like hey we got this [offering], they'll want to start thinking about it from a lower level so that they have the time to think about it, but they don't want to pay for the fact that we've thought it through already or for this strategic side, before we get to the implementation.

Therefore, although general informants see Finnish straightforwardness as positive or even as a competitive advantage, it seems that in the practice of a Finnish company negotiating and interacting with a Latin American partner this directness might impede mutual understanding according to Case 1 evidence.

On the other hand, networks and *amigo* culture seem to have presented a key facilitator for Case 1 company reaching clients in their consolidated field of business.

Case 1 informant describes that their sales to Latin American media companies has been mostly thanks to one employee with existing relations to the directors and owners of the target companies. He explains how this has virtually been the only channel through which to reach these companies in the Latin American market, whereas in other markets other channels exist, designated to offer services to clients.

We have this person that for a long time has managed the sales to Latin America, this experienced CEO that used to lead a Latin American new space project and he of course has the personal relations with these media companies, and generally the media company owners, through whom we get to the people who actually work there. -- so in that sense it's a different market to many others.

General informants highlighted the ease by which business deals were realized through personal relationships and the “amigo culture” (Paavilainen & Wilska 2001, 305) that consists of Latin American collectivism or in-group behaviour, and personalism that refers to the fact that honesty and benevolence will not be perceived from anyone without personally knowing them. The custom also carries a strong culture of recommendations by personally known people that are like magic words in reaching networks where no own personal contacts are found (Paavilainen & Wilska 2001, 305). Case 1 evidence therefore backs up previous evidence for collectivism and personalism.

In general informant interviews, foreignness was found to somewhat affect the Latin Americans' perception of trustworthiness positively, as an exception to previously suggested strong collectivistic or in-group behaviour of Latin Americans (Osland et al. 2007, 113) and the significant positive correlation of trust and cultural similarity (Bianchi & Saleh 2011, 263).

Case 1 company, too, has indeed found it beneficial to have foreign, or Finnish, origins in order to generate trust, and according to Case 1 informant the company actively promotes this in their marketing, even though this highlights the cultural dissimilarity towards their customers. He does note that it is unclear whether the benefit is derived specifically from the Finnish brand, or for example from a general Nordic brand. However, he says that in their case, the advantage consists more specifically of them having acquired considerable references in the US market, but not being *from* the US. Latin Americans, he explains, perceive American companies often as a threat.

-- well we got this winning combination that we have long worked in the US market with the world's biggest media companies but we're not a US company, so the Finland angle brings that trust and also maybe the fact that we're not in the big brother position to tell them how to do things whereas Americans often are perceived as to force their own solution upon others. So we have noticed the benefits of being Finnish.

Therefore Case 1 evidence also suggests that foreignness does seem to be an appreciated and interesting factor in Latin America and that it contributes to the perception of trustworthiness in contrast to previous understanding on the effect of cultural similarity. However, although the brand of origins helps, Case 1 informant states that merely the trust in Finns is not enough in their case, but the sufficient trust to venture into buying services from across the Atlantic in the first place is mostly driven by the abovementioned strong US references.

5.1.2 *Commitment*

This chapter will discuss the findings on the commitment concept in Latin America from the interview of the CEO of Case 1 company, in comparison to the findings from general informant interviews. The company operates its third year in the Latin American market, the longest from the three case companies, which makes it the most fruitful in studying commitment.

When it comes to commitment, communication and follow up procedures, brought up by general informants, are highlighted further in Case 1 interview. The informant reports the amount of daily communication needed for things to advance in Latin America to be significantly greater compared to clients from other parts of the world.

“How is the relationship looked after, then?” (Interviewer)

Well the communication needs to be multiplied several times over in comparison to other clients, so a lot of these daily conversations on top of all else.

He argues that in Latin America the frequency of communication is the most important aspect in showing commitment in the relationship. He says communication does not require the discussion of actual business matters; it is much more important to simply keep in touch with the Latin American partner.

Well I would say that it's the frequency there [in maintaining the relationship] and then a Finn will of course always think you need to have something to talk to them about and I'd say I'd need to be better in talking about the weather, so I mean the frequency and to have something to talk about, but Finns won't even make a call if they have nothing to discuss --

Case 1 informants observations are in line with general informants' view on follow up procedures, and because follow up is highlighted by Case 1 informant in addition to

general informants, it is likely that previous literature has not emphasized this feature of Latin Americans business culture nearly enough.

Another verification made by Case 1 informant in relation to general informant interviews is about local presence. He recommends permanent local presence for two reasons. First of all he says he feels as if none of the business makes any progress without being present, and the need for presence can become so frequent that travelling ceases to be an option. Secondly, managing the time dedicated to the relationship can be troublesome from a distance. Schedules are altered so frequently in Latin America, that the limited amount of time available on a business trip to the Latin American site is probably not enough to actually be able to use the required amount of time productively with the partner. This is why Case 1 informant recommends permanent local presence, such as an office branch in the Latin American site. The company is currently arranging funding to establish local presence.

It feels like things are not proceeding unless we go there and visit them on the spot. Especially in the business side we can't get things done without popping over and it's ridiculous that when we do they might find the scarce hour for a meeting even though we come from this far away so... You just got to... but whereas in Finland you'd use the whole day for a client workshop and with these guys you try to go over all the same stuff in an hour with people who are not completely on board on what's happening. This is challenging but as I said we should absolutely have existence there and we've done some preparations for that --

The fact that things are not advancing for Case 1 company without local presence is, judging by general informants' descriptions of local presence, a possible result of having had less opportunity for personal relationship and thus commitment building activities. Schedule problems, in turn, are possibly derived from the Latin American cultural trait of fatalism (Osland et al. 2007, 117; Paavilainen & Wilska 2001, 321). General informants described situations where concrete work order and task distribution by Finnish companies had been surprising for the Latin American counterparts, although eventually appreciated. Case 1 company might find this more problematic because they are one of many small suppliers to their big clients, who are less disposed to changing their ways of working, so Case 1 company might in turn have to comply with their Latin American partner.

It is clear that Case 1 informant has acknowledged the benefits of local presence for everyday functions in Latin America, which compliments general informant views. Replacing local presence and face-to-face meetings with phone calls and other long-distance methods has not worked for Case 1 company especially because their strategy

towards the market does not include intermediaries, but the company deals with each client individually through a home-based export manager.

On a positive note, previous literature concludes that Latin Americans are not likely to easily switch partners after reaching the committed level with a specific partner (Osland et al. 2007, 111). However, Case 1 informant reports that even though a specific partner has demonstrated commitment behaviours, even big businesses have come to a halt without any apparent reason, or even without a clear beforehand warning. This has been problematic for the company, and it has happened more than once.

Well, yes and no. So they can communicate that [commitment] but we have also bitterly gotten to taste how quickly even big businesses can dry down and how suddenly, too. -- You might not get any heads up but a few weeks before like "by the way we're not buying anything anymore" and we might've had ten guys coding for that client.

It is not clear whether the suggested high commitment is not as high or durable as reported, or whether there have been misunderstandings about reaching the committed level when it in fact has not been reached, or if for example the appropriate people have not felt personally obliged to stay in the partnership (Osland et al. 2007, 111), all of which could be a reason according to previous literature.

The following quote largely sums up the concept of commitment in Latin America by Case 1 informant.

-- people might have talked to you about stuff but it's not like anyone's likely to get back to you on that. Then again people I've met so and so many times there in different events and so on, and they've seen me like five to ten times, they won't be leaving me hanging in business related questions either anymore.

It illustrates firstly the fact that commitment is directed to people rather than formal obligations. Although replying to submissions is the formal responsibility of the partner in question, the partner will not necessarily do it without the sufficient personal obligation to their counterpart (Osland et al. 2007, 111). Secondly, it depicts the importance of local presence in building the personal relationship, as Case 1 informant specifically states that he needs to have met the partner company representative several times while attending different occasions and events on site, until enough personal obligation has formed for him to deal with mutual issues. Local presence is therefore important in being able to create sufficient opportunities for relationship building activities to take place. Third, it also illustrates the need for follow up procedures in the sense that the preferred amount and/or frequency of contact is high and things are definitely not settled in one or two meetings.

5.1.3 Attraction

This chapter will discuss the findings on the attraction concept in Latin America from the interview of the CEO of Case 1 company, in comparison to the findings from general informant interviews.

First of all, the extensive positive behaviours required in order to foster attraction in Latin America are supported by Case 1 informant. For example, the small talk mentality is evident in Latin American culture and Finns are expected to engage as well. He also verifies that going too directly into the point like beginning selling discussions too early into the meeting, not dedicating enough time for the required verbal interaction, is a style that is not very attractive for Latin Americans.

-- you need to have something to talk to them about and I'd say I'd need to be better in talking about the weather, so I mean the frequency and to have something to talk about, but Finns won't even make a call if they have nothing to discuss --

-- in selling too like when I get to the point very quickly, they can, or a client might be amused like hey what's this, how come you started selling already, because it's just not the style.

These two points were expressed previously in earlier literature by Christiansen (2012, 211) and Paavilainen and Wilska (2001, 335), as well as by general informants, although general informants mentioned cases where Finnish directness was appreciated. This is likely to be dependent also on the Latin American person in question.

An interesting point was brought up by Case 1 informant concerning the fact that Latin Americans somewhat disapprove going directly into the point. According to him, one must, in selling and business talks, respect the person one is trying to please by letting them have somewhat the upper hand in the discussion. Presenting a conclusion of a thinking process as a ready-made solution for the customer can be a turn-off, as the Latin American customer may feel they have not had the opportunity to fully understand the process. One must often go through the process so that the client feels that this is what they wanted, whereas for example in Europe, according to Case 1 informant, the expertise of presenting thought-out solutions is considered an asset.

Maybe that, and then the fact that we've chewed it up for them, like for them we have to start from the beginning even though we've chewed it ready for them already so if like hey we got this [offering], they'll want to start thinking about it from a lower level so that they have the time to think about it, but they don't want to pay for the fact that we've thought it through already, or for this strategic side, before we get to the

implementation. A European or an American understands that paying for the strategy is as important or more than the technical execution --

The fact that this level of strategic expertise can make a Latin American counterpart feel somewhat inferior or less, even though the solution is made to benefit the client company, did not appear in earlier literature or general informant interviews. It is possibly the result of the cultural theme of paternalism and/or power. Paternalism refers to the male-dominated, highly hierarchical organization of the Latin American society (Paavilainen & Wilska 2001, 319–320; Acuff 2008, 154). According to Christiansen (2012, 154–155), harmony is maintained in the hierarchical society by a sort of groupthink, where negotiating team follows the leader's preferences and a lower-status person will not put forward ideas conflicting with those of the high-status individual. This machismo mentality may result in conflicting ideas threatening the Latin American manager. The situation presented by Case 1 informant may well be an example of this, as Case 1 company deals directly with the client corporation representative instead of using intermediaries and the thought-out conclusions might be seen as a kind of threat.

When it comes to the effects of interpersonal chemistry on attraction, Case 1 informant reports this chemistry playing part in having success in the region, but in their case, references have the biggest role in a Latin American client choosing the company as a supplier.

Well yes it [personal chemistry] does matter but I'd say for us the biggest factor is based on these references which is why they take us seriously because all the big American companies have already hired us, so we don't have to prove ourselves that much as people or as a company that we are good. And that's what I see as the most important thing.

Therefore it seems that in this case, the attraction of the company's references overrides the need for Latin Americans to experience certain closeness with their partners before entering a business relationship.

However, linked to the previous notion of ready-made solutions intimidating Latin managers, Case 1 informant can also see another mind-set difference in Latin America compared to their other target markets. While in the US customers are in fact buying the results the provided service brings, he says in Latin America it is much more important to have interpersonal attraction with your counterpart.

So whereas in the States they buy the software and the results derived from that software, in here selling the person is much more relevant.

Also, he says this has important implications for the Latin American person-specific view on attraction. It is important to appear attractive to all contact points of the partner.

And that means also that you need to have more than one communication channel. You've got to keep x amount of connections open to different levels to make it work. -- meaning that if you're dealing with for example the product manager, you need to know his boss and preferably his boss too, -- and secretary, the secretaries you usually meet pretty easily, and every manager has one, and they obviously handle the communication to the managers so you want to be in good terms with them.

This in line with some of the general informant comments on personalism stating that managing attraction towards all communicative gatekeepers is important, for example secretaries, who are the gatekeepers to the manager. In making decisions, according to Case 1 informant, it is sometimes hard to know who the people actually influencing them are.

-- the time that all business takes is incomprehensible. So there needs to be an x number of decisions and decision makers involved or maybe the top decision maker will decide in the end but he's incredibly hard to directly influence. And this postpones the beginning of projects significantly.

In his comments Case 1 informant illustrates how it is not enough to be attractive to the most obvious manager, but instead all relevant layers of the organization need to be convinced (Paavilainen & Wilska 2001, 319–320), regarded as the effect of paternalism.

According to Case 1 informant, language skills would also be an important component in maximizing their company's attractiveness for potential Latin American partners. It is important, he reports, to understand each other and to be able to explain a value proposition correctly to the customer. He says language skills would be vital especially for the closer personal relationship preferred in Latin America. A common language would be a definite advantage, because building a personal relationship involves a lot of non-business events and dinners and such. Case 1 informant says he, as the representative of his company in the Latin American market, should be able to take part in conversations in Spanish.

-- so, again, I should be able to communicate in Spanish so that I would be closer with these people, --

-- if we'd have a common language, and then all these events, dinners and such it would be an excellent advantage to engage in conversation on a different level as

opposed to being the only English speaker in the crowd, it's pretty nasty... I don't mind it personally but as far as business goes it's not the best possible situation. And I do understand Spanish let's say reasonably well, -- so the speaking part needs work.

General informants also associated local language skills with attraction. They especially recommended an additional intermediary between the partners in the case of the Finnish-Latin American dyad not having a common language. This is exactly the situation with Case 1 company, and their representative has taken notice of the problems created, and of the fact that local language skills seem to improve attractiveness in Latin American business culture.

Foreignness was also linked to attraction in preliminary interviews, and Case 1 brings additional insight into the unclear matter of foreign actors being relatively more attractive for Latin Americans. According to Case 1 informant, the company's asset has been combining strong references from the US but at the same time not being an American enterprise. He says the Finnish origins have definitely been an advantage, because Latin Americans seem to somewhat detest doing business with companies they feel have the upper hand in relation to their partner.

-- well we got this winning combination that we have long worked in the US market with the world's biggest media companies but we're not a US company, so the Finland angle brings that trust and also maybe the fact that we're not in the big brother position to tell them how to do things whereas Americans often are perceived as to force their own solution upon others. So we have noticed the benefits of being Finnish, I can't tell if it's precisely that we're from Finland or would it matter if it was some other Nordic country, but...

This notion limits the effect of foreignness on attraction: companies from the United States seem to be excluded from the preferred foreign actors. As the literature on Latin American business culture did not feature effects of foreignness and therefore did not offer insights to its function, it was speculated on the basis of preliminary interviews that this preference could be because Latin Americans evaluate foreign actors to be able to provide superior economic benefits and access to important resources (Harris et al. 2003, 12), or to possess other valuable rewards such as information, services, legitimacy, or status (Dwyer et al. 1987, 16). On the lines of the reward-driven view, it seems that the basis that Case 1 informant uses to explain this preference would belong more in a personal or psychological reward category.

5.2 Case 2

5.2.1 Trust

This chapter will discuss the findings on the trust concept in Latin America from the interview of the International Sales Director of the company in Case 2, in comparison to the findings from general informant interviews. The company operates through independent partners or agents in specific regions and manages these partners internally but has no direct sales operations.

Trust was declared as the most important thing in business-to-business relationships also by Case 2 company. According to Case 2 informant, trust is built through personal relationships also in other markets in addition to Latin America. Emails and phone calls carry the relationship to a point, but without personally meeting the person you are dealing with, trust is not likely to develop further anywhere in the world. He calls it the traditional style of business making.

Well everything is first of all based on trust, quite many partners will want to meet you in person. I have for example in Italy this partner who I've talked to on the phone many times now, they've been sent the demos and they have the test licences, but the next step is that they're management wants to meet me, so I need to fly to Milan and meet the people physically so that we can settle everything, --

This notion follows the views of previous literature, and interviews. Case 2 informant believes that interpersonal relationships should always be the number one priority in all inter-firm relations. He also states that whenever something is not working in the personal relationship, it has the potential to cause lack of trust in the partner. This is when the partner might take a step back.

And I personally believe, and I could be wrong, that the personal contacts are always the most important.

Well as long as there is trust things keep going forward, but as soon as there's something bothering them in the person or the company or their methods -- it might be that they're a bit on their toes and the relationship might take longer to go forward.

This, he says, is also universal to his experience of business-to-business relationships. What might in turn be more highlighted in Latin American business culture than elsewhere is the time that people are required to spend together in order to

achieve that personal relationship. As was concluded by earlier theory (Paavilainen & Wilska 2001, 306; Osland 2007, 111) and by general informant level, in Latin America it is necessary to create a relationship beyond strictly a business relationship, because the better the personal relationship is the easier all interaction and communication becomes. Robles and colleagues (2015, 126) state that Latin Americans evaluate trust and loyalty in a business setting through interpersonal social interaction taking place for example in social events that sometimes may seem very non-business-related surroundings. This was further highlighted by several of the general informants. Case 2 informant also brings this up by saying the business culture requires partners to have meals together and talk.

Then again they have this culture that it's very important to spend time together, that you go to dinner and a drink and chat in the evenings and have long lunches, so I've noticed that the food culture is very much attached to the business when you get to that partner level. So you have to maintain that.

Thus, spending time together outside mere business circles is required to get to the trusted level, but also staying on it. The preferred amount of face-to-face contact and the need to spend time together outside business surroundings in order to foster trust logically comes down to the requirement of local presence on the site where the Latin American partner is located.

Case 2 informant has also recognized the facilitating effect of local presence. He agrees that the closer one is to the partner geographically, the more opportunities there is to meet with them, and hence, the closer the relationship will become. This is in his opinion universal to all business, which is why they employ the partner method in all of their foreign markets, not only in Latin America.

Yeah but there you have the same problem that if you have a partner in Finland it's easy to always go to see them and all that, but for Latin America you need to fly there and plan stuff, and you can't do it that quickly. The closer the partner is I'd say the closer a bond you'll have.

In addition, he states that although he is experienced in foreign trade, it became as a slight surprise for him that in order to maintain the relationship, customers in Latin America are likely to require a local contact person that frequently visits and communicates with the client in their own language. This is in line with general informant E's statement that she does not see for example a Mexican company purchasing from a Finnish one without them having an established contact and support network in place in Mexico. Recruiting locally is in fact also Case 2 company's method

towards all markets. This, their informant says, is done in order to eliminate the need of their direct representatives having to be present, as they have multiple markets under their responsibility. It is what they call a network method.

Yes, but the basic rule is that when we see a potential in a specific market we recruit someone there locally so we don't fly from Finland every time but instead we have a person there.

In Mexico, for instance, Case 2 company has in their words been struck by luck. They have found an agent living on site who is able to deal with the daily relationship routines, without language or culture barriers. He says it has been a key thing in order for customers to trust their services. Without this local presence, he doubts anything would eventually happen, which is very much in line with general informants' opinions. However, this gives further evidence on earlier theory not having emphasized local presence sufficiently as a key facilitator in trust building.

Language barriers were also brought up by Case 2 informant. He says that writing emails and other business communication using English seems to be accepted, but it would be beneficial to have someone inside the firm who speaks or writes Spanish or Portuguese. His opinion is that this significantly helps the formation of the personal relationship, because when meeting a person after emailing them in their own language, the reception is a lot warmer as the relationship has already taken leaps, compared to resulting to a purely English communication.

If you speak even mediocre Spanish then it's a plus. Business language and emails you can have in English but it would be good if you had someone in the firm to write Spanish well, we have for example this thing that before I send any emails I have them checked with someone because it's not my native language and then these [Latin] guys are usually really formal until we get to that point where you can just go hola!

I believe that at least in the cases we've had it has only been beneficial that we've been able to communicate in Spanish.

This is in line with general informants' statements on the facilitating effect of even mediocre language skills, and as noted previously, with statements of Paavilainen and Wilska (2001, 331) of trust being immediately greater speaking the local language.

Some effects of *simpatía* were also verified by Case 2 informant. What most effected business functions in his opinion was the difficulty to read people's attitudes and opinions because of *simpatía*. He argues it is common to see a Latin American be very

excited about something, and then make no follow up on their part in order to engage in the implementation or realization of the proposition or plan.

Well, in Latin cultures it's common that people easily get excited and they're kind of impulsive, and they might in the meeting be like hey this is perfect and we're going to start selling this, but then nothing happens and it's completely normal, then you just have to be in active contact -- Basically they can say that this is very interesting and you get the perception that okay, I'm going to invest a lot in this, and then when you might not hear from them and it's... the communication just stops and they were just talking.

The evident façade and the reactions of people therefore cannot be trusted as such in Latin America, which is also what general informants concluded. As Case 2 informant notes, even after being given the apparent signs that the relationship is off to a good start and investments can now be made, making this assumption only based on preliminary reactions by the partner is not recommendable. Osland and colleagues (2007, 111) argue this is because of the tendency of Latin Americans to avoid conflict and giving negative answers. They suggest it is therefore important to have private conversations with one's counterpart aside from formal presentations or gatherings before judging the eligibility of a partner relationship for further investments.

Case 2 informants states that when it comes to uncertainty, particularism and corruption are still common in Latin America, and this means the profits are not generated as straightforwardly as perhaps elsewhere. The lack of transparency on the actual part-takers in transactions creates a great deal of uncertainty and lack of trust. As Case 2 company deals in physical products in addition to software, the supply chain has to be thought out well because of the tendency for corruption, and, according to Case 2 informant, trust is even harder to build in the field of infrastructure.

And for some people the corruption culture might come as a surprise to some that you need to distribute the revenues a little for others than just the two companies involved. Which is a problem.

This is in line with general informants results saying allegiances to third parties are common, hard to estimate, and close many doors. Therefore theory, general informants and case evidence seem to support each other in the matter.

Process-based trust, however, works in Latin America as it does in other countries, according to Case 2 informant. No absolute guarantees can be granted before the first transaction takes place, so the only way is to test the trust is to make small investments first and then little by little trust more.

Yeah, and obviously you need to go through with them all the delivery times and all that, but we have that rule that first we do a smaller case with them and see how it goes from there, and then little by little we believe that we can expand and there.

However, Case 2 has noticed that things advance at a slower pace in Latin America. Having commenced a partner relationship with a Mexican partner one year ago, orders are taking a long time to come through even though a lot of investments have been poured into that specific partnership.

-- we've noticed that things advance somehow very slowly there, so we haven't had any orders yet, and it might take a year or could be two, but then we could get big ones. But it's the kind of investment that we see, so we keep the operations running but we're not getting any more partners at the moment --

This is congruent with earlier findings that trust in Latin America is slow to evolve, and nothing will basically happen without it. Case 2 company has decided to maintain functions with the partner, which seems like a good decision, as waiting for immediate results without giving the relationship time to evolve to a trusted level would in the light of earlier theory and general informant findings probably not work in Latin America.

All in all, it is important to make a good track record with partners and customers to show trustworthiness, building process-based trust. Promising too much is not a good idea even though Latin Americans themselves do it frequently, and the usual quick answers to emails and other inquiries are important for process-based trust.

But to prove in a way that you're benevolent it's important to try to manage everything properly and do the things that were settled and there the trust little by little builds up. And it is so that if you lose it, it's more difficult to get back, it's not impossible but you're going to lose time there so that's why you'd need to do things right from the beginning and not promise too much.

This is further evidence for the fact that the usual ways of trust building, generalized by Grönroos (2007, 41) and used by Finnish companies, are successful also in Latin America. However, in contrast to empirical evidence from general informants and Case 1 interview, Case 2 informant did not mention company origins or foreignness as a specific asset especially for being perceived as trustworthy in Latin America. It seems Case 2 company has not experienced being foreign a driver for trust like Case 1 company has, although both companies trade in the software industry. This may also be because of the company's shorter history on the market (less than one year) compared to Case 1 company (3 years).

5.2.2 *Commitment*

This chapter will discuss the findings on the commitment concept in Latin America from the interview of the International sales director of the company in Case 2, in comparison to the findings from general informant interviews. The company operates its first year in Latin America.

Case 2 informant, similarly as in Case 1, has noticed that local presence is a significant driver for success in relationships with Latin American partners. He states the company has found that their Latin American partners need to have a local agent as a contact point, in order to have them commit to the work and keep up the relationship.

Yeah, at least in Mexico, I'm not saying it was a complete surprise but we had to have a truly local guy to go see them again after we've left to tell the stuff again, and maintain the relationship.

The fact that also Case 2 company has found this feature imperative, in addition to general informants' recommendations on the matter, further highlights its importance.

Case 2 informant also linked local presence with the formation of the personal relationship, also emphasized by general informants. According to Case 2 informant, the closer one is to a partner geographically, the closer the bond is likely to be with that partner. He described the challenge for Finnish companies to establish the same level of presence in Latin America that a local office would provide.

Yeah but there you have the same problem that if you have a partner in Finland it's easy to always go to see them and all that, but for Latin America you need to fly there and plan stuff, and you can't do it that quickly. The closer the partner is I'd say the closer a bond you'll have.

As commitment is said to exist primarily through interpersonal relationships in Latin America (Osland et al. 2007, 111), evidence suggests local presence is regarded as a facilitator for achieving the personal relationship, and thus, a committed partnership.

When it comes to local presence, Case 2 company has in their words been struck by luck in the Mexican market. They have managed to employ an agent living on site, who is able to deal with the daily relationship routines. The management of these routines long-distance has been difficult for Case 1 company, which suggests Case 2 company has made an intelligent choice. The process goes that after the local agent has agreed on the preliminary negotiations with the partner, or in this case, distributor, Case 2 company steps in and starts dealing with the partner in the actual course of the

partnership, including shipments, distribution and so on. This is apparently done through the agent, who is able to communicate locally with the partnering company.

We by chance had luck with finding this agent who came through us and they have a guy living in Mexico City so he is able to deal with all the daily stuff and we've offered him a commission so that we won't necessarily be paying him a traditional pay check but when he makes a deal he gets a lions share of it and all that. And this means he's the one doing all the negotiation there. We don't have to touch that part so much. -- Yes, I don't think anything would happen without actually physically having someone there. You need to have at least one person who can...

This, according to general informants, would be the textbook example of a Finnish exporting company employing local presence. Case 2 informant has clearly recognized the importance of local presence, as he does not think business would be advancing without it. The story also illustrates a key aspect in fostering commitment in the Latin American partner, which is communicating with partners in their own language preferably. It is a big part in making sure that the interaction is pleasant for the partner. In the case of the Finnish exporter being able to communicate in the local language, perhaps through an intermediary, the relationship is likely to progress faster.

Well the key thing is that we have a person actively in contact with them, and in their own language preferably so that they can have a pleasant experience from the communication. -- so if you can manage it in their own language it's better. Then the relationship more quickly develops to the point where deals are made, I recon.

This illustrates the importance of language skills for fostering commitment. Language skills as such did not come up in earlier literature.

Even though Case 2 seems to present an excellent example of employing local presence in their Finnish-Latin American partnerships, in the interview the informant did on many an occasion have a very resource-driven view on the matter. The company is reviewing very carefully whether to focus on markets where relationship development is slow and results take longer to appear. Resources are obviously limited in a company with a strong focus on widening their partner network simultaneously in many parts of the world, and long negotiations might be a deal breaker for these Finnish companies.

so let's say we have a lot of deals coming from Germany and big orders, and even though Mexico is a big market but the deals last a year to negotiate, we're going to consider where we allocate the resources because we they are limited, so we get focused there and we might close one market if we see that it's not all relevant.

However, general informants advised to be patient in partnerships with Latin American companies. As it is a strong characteristic of the Latin American market to have slower processes due to emphasis on personal relationships, local presence requirements, and time-consuming follow up, it is perhaps not advisable to assess this market by the same indicators as other parts of the world. According to general informants, measuring returns on investment especially in attributes of time in Latin America is perhaps not comparable to other markets.

As for the time-consuming follow up, the frequency of communication is also the most important factor for Case 2 informant for the business relationship to head in the right direction with Latin American partners, similarly as for Case 1 company. He explicitly states that the frequency should be a lot higher in Latin America than in other markets. When asked about the most important thing in ensuring that the relationship develops in the right direction, he highlights keeping constant contact with the partner, regularly and politely. In addition to being frequent, according to Case 2 informant, communication and its contents should also provoke interest in the partner towards the challenges of promoting the Finnish partner's offering.

“What about the key thing in getting the relationship to develop to the right direction?” (Interviewer)

Well the relationships are so different but I'd say the communication is so important, that it's regular, and that it's polite and it needs to have something new and interesting for them so that they get excited.

Therefore Case 2 gives additional support for the importance of follow up procedures in establishing committed Finnish-Latin American business partnerships, because commitment is mostly communicated through constantly being in touch and performing sufficient follow up. Case 2 company has established a routine of weekly contacting, because once in a month or two is supposedly not enough to keep the partner engaged with the product. The informant makes a comparison to traditional advertising that partly relies on repetition and visibility: out of sight out of mind.

Yeah, we do [communicate commitment]. We basically have someone be in contact with them once a week, usually the one in charge of that market, and that aims at holding that grip, so if you're in contact once in a month or two they'll forget you. In a way if you think about advertising for example, if you repeat this thing enough it'll stick better. It's the same here that if we keep active contact with them they'll remember us better than maybe someone else.

Case 2 company includes two kinds of messages in their follow up procedures: offering support and information, but also active pushing and demanding in order to reach goals.

“ Is it a kind of supportive contacting or like hey, you need start doing something over there?” (Interviewer)

Well both. We do support them and try and help for example if they need some materials, some information or if they're going to a meeting we'll ask if it would be good if we were there. And then we also try to force them a little, like hey if you get this and this much sales we'll get you another bonus or something. So yeah we try to incentivize them in all possible ways.

This is in line with general informants stating that support and presence can be provided in the form of a person reachable by phone at all times, and creating a family atmosphere in the relationship, but that it is also required from Finnish party to push, remind, and actively follow through up to frustrating lengths. Therefore it can be assumed that both approaches can be used in order to conduct efficient follow up, although adding the effects and possibilities of local presence can be seen as even more productive. These approaches constitute as the first criteria of commitment by Dwyer and colleagues (1987, 19): input that is communicated through behaviour and actions.

Although Case 2 informant mentions follow up as the most important factor in relationship management with a Latin American partner, he states that when employing the partner model, the same thing is relevant in international partnerships also globally. Few partners anywhere will start selling another company's products on their own, so a lot of work should put into the relationship in the very beginning.

And in this partner model it's internationally very relevant that when we've signed a contract with someone that they'll start selling the products, we need to activate them, support the partner a lot and have regular contact. Because otherwise very few partners will start selling on their own, so in the beginning you need to work a lot and it's many times even more challenging than selling directly to the end customer. But we see that in the long run this is a good investment.

According to Case 2 informant, then, the necessity for follow up procedures is not a characteristic of merely the Latin American market, but relevant in all international partnerships. As other informants have said the extent of follow up needed in the Latin American market exceeds those of other markets, the question remains to be conclusively resolved. It does not, however, erase the fact that follow up seems to be very needed and very recommendable in Latin America, too.

5.2.3 *Attraction*

This chapter will discuss the findings on the attraction concept in Latin America from the interview of the International Sales Director of the company in Case 2, in comparison to the findings from general informant interviews.

The impact of *simpatía* in the manifestation of attraction in Latin American business culture is evident for Case 2 informant in the excessive positive behaviours and the frequent use of titles. One can make a profound impression on the counterpart by noting if someone is a doctor or engineer when addressing him or her. Case 2 informant also notes that attraction on a personal level is important because Latin Americans tend to engage in a lot of apparently non-business related events, like long lunches.

-- in Latin America they have this thing that when you go to the upper hierarchy levels, first of all they dress very well and they have a sort of conservative business culture, people are addressed with titles like in Germany and it's important to remember to note if someone is a doctor or an engineer or anything. Then again they have this culture that it's very important to spend time together, that you go to dinner and a drink and chat in the evenings and have long lunches, --

According to Osland and colleagues (2007, 110), *simpatía* requires high politeness and respect for people, which translates into the frequent use of titles experienced by Case 2 informant. Also the amount of non-business related interaction between partners seems to have been identified by Case 2 informant, as dinners and even family meetings were described by general informants as the implicit way to build personal relationships. It was said that the more personally the partners know each other, the easier it makes things and the more attraction pulling the parties together can be observed.

He also brings up that Latin Americans easily show excitement and extreme positive behaviours. They might for example say that the offered proposition is perfect and they very much want to be involved, but then, nothing happens.

Well, in Latin cultures it's common that people easily get excited and they're kind of impulsive, and they might in the meeting be like hey this is perfect and we're going to start selling this, but then nothing happens and it's completely normal, then you just have to be in active contact -- Basically they can say that this is very interesting and you get the perception that okay, I'm going to invest in this a lot, and then when you might not hear from them and it's...

General informants as well as earlier literature address the same issue. For example, Acuff (2008, 155) describes how negative answers are given indirectly in Latin American culture, while Paavilainen and Wilska (2001, 305) state that *simpatía* translates to very cordial responses to value propositions, which necessarily do not indicate deeper interest to engage in a relationship, but only the willingness to be polite.

According to Case 2 informant, when no action is taken by the Latin American partner after the extensive demonstration of enthusiasm about the proposition, the solution is to actively be in touch with them: frequent contact with the partner has to be constant and polite, and involve incentives for the partner. Offering as much resources in the promotion activities as possible for the potential partner in the beginning of the relationship is likely to increase attraction towards getting involved in the relationship.

Well the relationships are so different but I'd say the communication is so important, that it's regular, and that it's polite and it needs to have something new and interesting for them so that they get excited.

But some might answer that yeah hey this is very interesting but at the moment we don't have customers for you, or we don't have the resources, so they always need a resource to actively start redistributing our product, and that is something they might not be up for.

It is evident that also by the experience of Case 2 informant, this kind of follow up behaviour remains very one-sided, as the responsibility of the Finnish party, congruent with general informants' view. General informants also concluded that the appeal of the product or value proposition in itself usually does not serve as the sole incentive for the Latin American partner. Case 2 informant, however, does not see this as a problem, but seems to think that resourcing and communicating incentives is the ideal solution to increase true attraction. Presenting new and interesting communication also abides by Ellegaard's (2012, 1224–1226) findings that continuously presenting pleasant stimuli enhances the attraction effect. This is further highlighted by Case 2 informant as he talks about giving attraction cues after the initial contact with the partner.

But what happens in between [of contacting and selling], how you talk, how you shake hands, how you dress and how you make eye-contact and like who you are, can you call someone in the same hierarchy level or should you involve someone higher up, that's where the titles and the manners are important. -- they're pretty conservative, even though they give this kind of easy-going impression but when you go higher up...

Here Case 2 informant also verifies the effect of paternalism, or the importance of attracting and directing one's words to the correct individual of the correct hierarchy layer. This was previously discussed by general informants as well as by Paavilainen and Wilska (2001, 319–320).

According to Case 2 informant, language skills are a valuable way to enhance attraction: Latin Americans appreciate the effort their potential partner makes in trying to communicate in their own language.

And then if you know the local language it's a definite plus. If you speak even mediocre Spanish then it's a plus. Business language and emails you can have in English but it would be good if you had someone in the firm to write Spanish well --

He also notes that having to communicate in English can be kind of embarrassing for Latin Americans, even if their English skills are good enough, taking them away from their comfort zone. It is beneficial to be able to offer the partner the advantage of communicating in their own language and letting them have, in a way, the upper hand.

-- have a person actively in contact with them, and in their own language preferably so that they can have a pleasant experience from the communication... They know English of course but it can be to many people higher up in the organization if they don't speak it correctly, kind of "embarrassing", so if you can manage it in their own language it's better. Then the relationship more quickly develops to the point where deals are made, I recon.

Exiting one's comfort zone can be regarded as a personal cost (Thibaut & Kelley, 1959, 12–13) that can include physical or mental efforts, actions generating embarrassment or anxiety, or any type of conflicting interests. If the Latin American party can avoid this kind of personal cost, then the attraction effect is bound to be greater as the cost column in the reward-cost balance becomes that much lighter.

Case 2 informant is convinced that the fact that he himself is able to communicate in Spanish with their Mexican customers and partners has been beneficial in attracting partners and speeding up the course of the relationship. In addition, he strongly highlights the importance of a local agent, a type of intermediary they have found to handle everyday activities in their Spanish-speaking market areas. According to his experience in Mexico, it was regarded as a key asset to have a local representative (local geographically and culturally) to visit and close the deal after they had left.

-- and I believe that at least these cases we've had it's only been a benefit to be able to communicate in Spanish. And especially the big case we had there, it was pretty slow

to advance at first but then we got the local Spanish speaking guy involved who independently went and met them again, then it suddenly started advancing fast again. - Yeah, at least in Mexico, I'm not saying it was a complete surprise but we had to have a truly local guy to go see them again after we've left to tell the stuff again, and maintain the relationship.

It is also preferred by Latin Americans that the daily communication and relationship maintenance is conducted by a local. It was in fact stated by Case 2 informant that nothing is likely to actually happen without physical local presence of at least one person to be able to immediately serve the customer.

Yes, I don't think anything would happen without actually physically having someone there. You need to have at least one person who can...

This is ample proof for local presence as a driver for attraction, particularly as general informants also consider local presence as a common deal breaker in Finnish-Latin American partnerships, and recommend an intermediary if no local presence can be otherwise arranged. However, it is normal conduct for Case 2 company to hire people locally on all their potential markets. The informant considers this as more work, but sees it as eventually a profitable investment when their own employees responsible for several markets at a time do not have to constantly travel around the world.

-- but the basic rule is that when we see a potential in a specific market we recruit someone there locally so we don't fly from Finland every time but instead we have a person there and we make some kind of commission contract for them.

This suggests Latin America would not be the only market area where local presence is culturally preferred.

When it comes to the speculated matter of foreign actors being relatively more attractive for Latin Americans, Case 2 informant presents a similar view to that of Case 1. He says to have noticed that Latin Americans are keen on doing business with Europeans, extending the benefit of foreignness to Western Europe, while agreeing with Case 1 informant that the bias against Americans is because of the superior power status that the USA likes to promote in Latin America.

-- we Finns have a long border with this huge country Russia, so they have the same situation that the Americans who act as soft of a big brother right next to them and it affects how things are done there. -- Well yeah they do kind of think Americans are a bit gringos, and then again from Europe, if you say you're for example from Scandinavia

it's a totally different thing than to come from the States, better. This is how I've understood it that they would prefer Europeans. In that sense we have great conditions there.

With the similar view to Case 1, Case 2 does not much further illuminate the rationale for these preferences. The personal or affective reward, however, could be caused by the perceived superior power that Americans often have in comparison to Latin American companies, which might make Latin Americans feel more equal in business relationships with Europeans.

5.3 Case 3

5.3.1 Trust

This chapter will discuss the findings on the trust concept in Latin America from the interview of the Vice President of global sales in the company in Case 3, in comparison to the findings from general informant interviews. The company partners up with service operators and offers their solution through them as a white label product.

Case 3 informant defines a good business relationship first and foremost by being able to trust the other party. Therefore it is clear that he agrees with the two other cases in trust being the most important dimension of the relationship marketing dimensions.

Consecutively, personal relationships are in his opinion important for trust. One has to be capable of creating the personal relationship by engaging in different ways.

It [personal chemistry] is important. And you need to know how to play the game, how to do small talk, and it's important to go out in the evening and maximize the time.

This is in line with previous theory and general informant interviews about personal relationships being created by spending time together. Case 3 informant has the clearest output in this matter by explicitly recommending to maximize the time spent together. To further illustrate the importance of personal relationships, Case 3 informant explains inviting business contacts to one's home is a standard procedure in Latin America; he reports having been visiting all of his business acquaintances' homes. The respect the people have for the creation of the personal relationship is very high. People also stay in contact even if businesses end, which illustrates the strength of these relationships.

Well I don't know about that but if they invite you to their home it's a standard procedure, each country I've been to, I've been to the guy's house. Had dinner and could've spent the night, too. -- But the respect, and how they look after you, it's top notch.

Creating a personal relationship is closely linked with the cultural theme of *simpatía*. For example, Case 3 company's first Latin American contact has given the Case 3 informant a good impression. However, as an experienced merchant in the Latin American market, he says this by no means proves his benevolence. It is the process of getting to know one's counterpart that eventually builds trust, piece by piece. Only the process of getting to know the person will supply sufficient proof of honesty and mutual trust, which he says is his mentality on how to do business in Latin America.

And this guy, the CEO, seemed smart and calm, he wasn't jumping all over the place, and I got a good impression. Of course it doesn't mean he's honest but it's a process, you get to know the person just like when you go on a date with someone, the second date will tell you a lot more about them, so trust will come, especially as they paid the demo in advance --

This is evidence from both the importance of personal relationships and the effects of *simpatía* (Osland et al. 2007, 110–111), that nothing can be assumed from the public appearance of people, but instead one has to talk to people individually to learn their true thoughts.

Having significantly more experience as an actor in the Latin American market than the other two case interviewees, Case 3 informant's view on the local presence issue is particularly interesting. In fact, Case 3 informant seems to think the recommendation of having local know-how of the target market is viable world wide, especially through local intermediaries.

When a Finnish company goes abroad -- it is an important thing to have some local firm who's operated there a long time and they know how things work there, they have customer bases ready so how can that not be important?

His statement strongly supports the significance of the presence of *someone local* in the market in order to be successful, whereas general informants regarded local presence as a requirement for the foreign company in order to form trust between them and the local intermediary, and that without some form of local presence they would not be able to trust the local intermediary to do what the contract requires of them. This was because it was said that in Latin American business culture the indicators of trust

are perceived most strongly in face-to-face interaction (Robles et al. 2015, 126), which evidently requires some form of local presence.

When it comes to the relationship with the abovementioned local partner, Case 3 informant seems to put less emphasis on the fact that a business relationship between Latin Americans and Finnish companies are better when local presence is established, and more emphasis on presence in general. His view is that more than anything else Latin Americans want to know that their partner is "there" when they need something. Therefore, according to Case 3 informant, it is possible to define presence more broadly than being physically present: it can mean for example being reachable by phone.

-- I believe that they want to know that you're there when they need you, be it technical stuff or sales training or something else. Then of course when you're this far away, they expect you to be in the other end of the phone or Skype or whatever if they have a question.

This differs somewhat from general informants' view of local presence that emphasized physical presence and specifically advised against keeping contact merely through digital communication tools or the like. It also differs from the fact that previous literature highlights face-to-face contact being especially important for trust in Latin American business culture (Robles et al. 2015, 126). Case 3 informant seems to think, however, that the same objective, trust, can be reached equally through calls, emails and text messages, while not necessarily being that much physically present, although he does not deem local presence as unnecessary either, and states that in the case of a physical product, it is important to establish physical local presence in order to provide any repair services needed by the customer as a part of an efficient customer service.

Trust with money evoked controversy in general informant results, where it was said that even after interpersonal trust has been established, trust should not be granted in money related issues. This was considered problematic by Case 3 informant not only in Latin America, but worldwide. When it comes to Latin American partners, he bases his trust on the person by judgements of character. He admits having positive experiences in doing business with Latin Americans, despite some terms of payment violations.

This [lack of trust] is probably not focused solely on Latin America, it's more of an international thing, you know who you can trust and who you can't. So you'll learn it the hard way. I've had so good experiences in business in Latin America, like of course some bad credit histories but they've just been solved like hey we need to do something.

Throughout the interview it became evident, however, that Case 3 informant has the attitude of a person wanting to promote Latin America as a viable market and revoke its present reputation as somewhat risky and unsafe. This is bound to have an effect on his answers to a more positive direction. However, like general informants noted, he does state that anything else than advance payments should not be expected, even though interpersonal relationships have gone off to a positive start. This is the policy he describes to have used in the company's most recent partner prospect in Latin America.

Well the guy came to Finland, -- it wasn't more than a few weeks when they sent a purchase order, like send us the machine over here. But then, as we want to do it properly, we asked for the payment in advance, and then we sent it. It obviously took a while as they are how they are in these matters, but eventually it came through and now the device is waiting in customs.

-- the most important thing here is the fact that we didn't send the device there for free, they paid for it which tells us that they mean it, and that's important, too. Everyone's going to want it for free.

When the beforehand payment is conducted, it can be regarded as a sign that trust is now safer to be placed on the partner in question. However, according to Case 3 informant, this now requires reciprocal delivering, which in turn will create trust in the partner's end.

It's a process, so trust will come, especially when they paid for the demo beforehand, that's a good sign. But then you have to deliver to them also, so they paid for the product and now we need to give them the revenue and the help, you can't drop the ball now and just expect stuff.

Case 3 informant seems to take money-related trust issues relatively lightly as a part of the usual conduct, similar to general informants. Case 3 therefore backs up the view that while trust building through personal relationships is imperial for business in Latin America, personal trust should never cover monetary control.

Another thing creating uncertainty and impeding trust is fatalism, concluded in earlier literature and general informant interviews. This was brought up by Case 3 informant as well, as a part of Latin American business culture that might be the first to clash with the Finnish.

Well someone from Finland who's never been to Latin America will wonder the fact that they're not meticulous and they say we do this when it's not like that, and it's hard

but that's how it is. So this laid back mentality, not stressing, but then when something goes wrong, it's their responsibility, and they do it really fast, at times.

This largely supports general informant findings, whereas previous literature was more negatively concerned about fatalism.

Case 3 informant, like the other informants as well, has also experience in many Latin Americans having good impressions on European efficiency and trustworthiness, and he says they sometimes expect a great deal more from European companies. This is in his opinion a good thing, although requiring to deliver according to the expectations.

-- or online or somehow there. Expectations I think are high, and for example somewhere like in Colombia I think they expect more from a foreigner than from a local, as they know what the culture is. But I think you also need to have fast operations like you'd normally have, so no mañana business --

The obviously positive reputation that Finnish companies have for their efficiency in Latin America is no doubt helpful in having a solid basis for trust on a market where not a lot of other trust cues, like existing contacts, can be used.

5.3.2 Commitment

This chapter will discuss the findings on the commitment concept in Latin America from the interview of the Vice President of global sales in the company in Case 3, in comparison to the findings from general informant interviews. The company is operating only its first year in Latin America, but the informant himself has a long experience from the market. Therefore the views of Case 3 informant about commitment in Latin America are especially interesting. First, Case 3 informant assures that commitment, once established, is very high between Latin Americans and their business contacts. Commitment is also tied to people.

For example now the contacts I have when working for previous employers, I'm still in contact with them, they send messages and pictures of their kids and so on. It's more personal in a way.

This notion is consistent with earlier literature, saying that commitment is usually high once the committing level has been reached and that commitment is fixed first and foremost on people rather than formal obligations (Osland et al. 2007, 111). Evidence

from general informant interviews also agreed on the role of the personal relationship as an important prerequisite for commitment.

Not surprisingly, when asked about the key aspect of commitment in Latin America, Case 3 informant, too, underlines continuous contacting and follow-up procedures. At the time of interview he has reached an understanding with a Latin American partner to start attaching the company's white label product as a part of the partner's service offering, and at this point he finds it imperative to start pushing the process onward by being exceptionally interested in its progress and engaging in joint effort with the Latin American partner. Passively waiting for the partner to take the next step will not work.

The key thing here is the process. So now we move on to product training and then we'll see how sales takes on. Together, everything together. I think now us, from Finland, as a company, we want to know everything that goes on in there. -- In Finland the guys I've worked with, they're good people but the mentality is a bit like waiting for orders to drop in the mailbox, and it doesn't work that way.

Highlighting of follow up procedures' importance by Case 3 informant is consistent with the statements of other cases as well as in general informants. This evidence further accentuates this particular finding on building Finnish-Latin American partnerships. In addition, Case 3 informant talks about how his Finnish colleagues might not fully understand how important it is to constantly maintain daily contact.

I think one thing my colleagues are not understanding is that you have to keep constant contact with them and ask like hey how's it going and if they for example tell you that they're going to call on this and this customer then I wait a couple of days and ask how it went. So yeah... it doesn't take much.

This was said to be a common oversight among Finnish exporters without experience in the Latin American market also by general informants.

Case 3 informant also brings up the fact that if calls and inquiries are not made frequently this will likely be interpreted as lack of interest by the Latin American party, in which case the efforts of the partner to promote the product in the market are likely to stop. The day-to-day communication that is necessary for maintaining the interest and the efforts of the local partner need not be anything elaborate, Case 3 informant says, but simply being aware what is happening at the partner's end.

They appreciate the contacting. So if you never call, they can think like well he doesn't care, and the communication can stop all of the sudden. -- Yeah, they see that

this isn't going anywhere or I'm not getting any support here or any day-to-day contact, they just think we're not interested.

"So they don't ask for it, like hey we need help in this thing?" (Interviewer)

No. But when you give the contact and support, then they see that you appreciate them. So maintaining contact is important, no matter where you are --

General informants also presented the sudden apparent loss of interest in advancing the relationship as a result of insufficient follow up. The speculated reasons for this were *simpatía* or the unwillingness of Latin Americans to put anything negative into words, and their tendency to perceive the lack of communication as a sign of lacking interest in continuing the relationship. The fact that Latin Americans are, according to Case 3 informant, declined to explicitly ask for assistance complies with the effect of *simpatía*, the avoidance of negative cues (Osland et al. 2007, 110; Paavilainen & Wilska 2001, 305). This is why it seems to be left as the responsibility of the Finnish party to inquire about the need for help and to provide assistance independently. This will at the same time communicate the willingness to proceed as well as respect for the partner.

When it comes to communicating commitment, Case 3 informant says it is common for him to explicitly promise the sufficient support for a prospecting partner in order to make it clear that the partner will have the commitment and support of their company. He makes a point that this may not be that easy to communicate on a company level, so it must be done interpersonally.

-- I talk more in person, so that when I talk to people while trying to establish some kind of business cooperation with them I make it clear that it's also in our interest that they get the support, good and fast. His sales is also based on the fact that he -- can solve any problems quickly.

This is another point not previously discussed relating to the importance of sufficient support and follow up required by a Latin American partner.

Local presence has been emphasized previously, by general informants as well as two case informants, as a facilitator for building a personal relationship with one's partner and hence, fostering commitment in the partnership. However, it is especially interesting that Case 3 informant does not seem to regard the importance of local presence in the same way as the two previous cases. In Cases 1 and 2 especially the personal relationship building activities and scheduling were considered problematic to deal with long-distance. Case 3 informant does not, however, mention these or other hindering factors that the lack of local presence could cause for the business relationship, while he does not deny their existence either. If he has found some similar problems relating to not being locally present, he clearly has not experienced them as

too impeding for business during his extensive experience in the Latin American market. Instead, Case 3 informant talks about presence in general, if not locally, and frequently mentions follow up through phone calls as well as text messages.

I think these Latinos, they have high expectations, let's say what I do is the kind of constant contacting is really important to them, and I believe that they want to know that you're there when they need you, be it technical stuff or sales training or something else. Then of course when you're this far away, they expect you to be in the other end of the phone or Skype or whatever if they have a question.

As mentioned, this differs somewhat from Cases 1 and 2 who found the lack of local presence a clear obstacle for advancing business activities, but general informants did in fact mention other forms of presence that did not necessarily include being present locally, similarly as Case 3 informant.

The recommendation of continuous asking and contacting is in line with Christiansen (2012, 211), according to whom friendly gestures and informal interaction are how on-going loyalty and commitment should be demonstrated, even though this may feel like seemingly meaningless social etiquette. In this way commitment cues, emphasized by Dwyer and colleagues (1987, 19), are produced in the Latin American business culture.

However, general informants did stress face-to-face meetings, obviously not achievable from a distance, and their influence in creating a more personal relationship with a Latin American partner. Face-to-face meetings were also clearly indicated by Cases 1 and 2 to have a significant effect on commitment. However, Case 3 informant does not say that meeting each other face-to-face would *not* be beneficial, and he does mention travelling to his Latin American sites. The difference lies in the apparent emphasis in Case 3. Case 3 informant appears to consider it more important to highlight follow up and daily contacting that have also proved to be highly important for the development of commitment in the Finnish-Latin American business relationships. It is also possible that the other case informants, being newer to the Latin American market and its business culture, find the lack of dynamism more of a nuisance compared to other markets they are used to, whereas Case 3 informant's long experience allows him to consider it customary.

Even though Latin American partners require pushing and follow up, according to Case 3 informant, there are other commitment cues available for observation. Their newly found potential Mexican partner had at once requested for a demo device of Case 3 company's offering in order to test it and start finding possible distribution channels in Mexico and elsewhere in Latin America. According to Case 3 informant, the fact that they paid for the demo equipment, instead of requiring a free sample, can be taken as a sign about the willingness to commit and advance the relationship. Although the need

for follow up procedures remains, which by the Finns can be interpreted as a lack of interest and willingness to commit, this is a normal part of the commitment building process in Latin America, and other input should be focused on more.

Yeah well they need a bit of kicking but the most important thing here is the fact that we didn't send the device there for free, they paid for it which tells us that they mean it, and that's important, too. Everyone's going to want it for free. But now you can control the fact that they actually use it.

However, once these commitment behaviours, like ordering and especially paying for a demo and/or capacitation in order to carry out promotion of the product or service, the ball is again in the exporter's side. The next step should be aggressively being present for the partner, contacting, pushing, asking and offering help in order to lift the relationship to the next level.

But then you have to deliver to them also, so they paid for the product and now we need to give them the revenue and the help, you can't drop the ball now and just expect stuff, so now our company needs to be there and engage. This is my mentality on how to do it.

This can be seen as an indication of the fact that all interaction between business partners, including transactions, are seen as favours by Latin Americans (Acuff 2008, 155), and the favours call for reciprocation. The view of Case 3 informant seems to verify that after this kind of favour or transaction it is again the receiver's responsibility to make the next move in the exchange of inputs. Thus even though the exchange of money can in other cultures be seen as merely a formality without much importance as such, in Latin America it is important to regard it as a sign of the willingness to advance the relationship.

While general informants highlighted an active role of the Finnish party in Finnish-Latin American partnerships, they did not provide examples of commitment signs or specific input by the Latin American party. Also the two previous cases predominantly talked about the lack of commitment communication from the Latin American side and the issues this provoked. The input described here by Case 3 informant can, however, be regarded as relationship-specific investments said to be an example of pure economic inputs that lead to high commitment, as the investments cannot be transferred to any other relationships (Halinen 1996, 63).

5.3.3 *Attraction*

This chapter will discuss the findings on the attraction concept in Latin America from the interview of the Vice President of global sales in the company in Case 3, in comparison to the findings from general informant interviews.

According to Case 3 informant, expressing positive behaviours is necessary in order to be perceived as an attractive individual in Latin America. He says this ultimately aims at establishing a personal relationship with the counterpart, for example by taking advantage of the time that one is able to spend with the partner company's representatives on dinners, etc. As a whole, Case 3 informant places more importance on interpersonal chemistry as a factor for attraction than was done by Cases 1 and 2. The importance of spending time together is also illustrated in the common custom of Latin Americans inviting business associates to their home, to eat and to socialize with the family.

“What kind of significance does interpersonal chemistry have in this culture, when business people meet and their relationships?” (Interviewer)

It is important. And you need to know how to play the game, how to do small talk, and it's important to go out in the evening and maximize the time.

-- if they invite you to their home it's a standard procedure, each country I've been to, I've been to the guy's house. Had dinner and could've spent the night, too. -- But the respect, and how they look after you, it's top notch.

This can be seen as a way to increase attraction through a closer personal relationship. Seeking a level of closeness with one's partner was deemed very common a practice and an effective relationship management tool by general informants, as well as by Osland and colleagues (2007, 110–111), who also talk about *simpatía* as positive social behaviour that emphasizes respect towards others. This is clearly illustrated in Case 3 informant's comment on how Latin Americans treat their partners, and how they expect to be treated in return.

As was noted in discussing the concept of commitment on the basis of Case 3 informant's interview, Case 3 informant has a slightly different angle when it comes to local presence. He considered the local intermediary as the only good strategy to Latin America, providing the local link between the Finnish exporter and Latin American customers, and emphasizing the local knowhow the strategy provides.

-- so it is an important thing to have someone local. -- A local, firm that has been operating there a long time and they know how things work there, they have customer

bases ready so how can that not be important? -- pretty difficult to do, all the way from Tampere, yeah no, no no...

This is in line with general informants stating that it is unlikely for Latin American buyers to find a company from overseas attractive enough to make a purchase without the local representation. However, as the focus is on relationships between Finnish exporters and Latin American partner companies, Case 3 informant has a totally different attitude towards local presence driving attraction in these relationships, compared to the attitude of general informants. General informants, as well as the two previous cases, say the agent is unlikely to be motivated to fulfil the responsibilities of the partnership without the Finnish partner being locally present; this was previously referred to as the out-of-sight-out-of-mind mentality. Case 3 informant, however, seems to regard follow up procedures and overall presence in the daily life of the partner as more important.

Then of course when you're this far away, with the time difference and all, they expect you to be in the other end of the phone or Skype or whatever if they have a question.

-- you'll have to keep constant contact with them and ask like hey how's it going and if they for example tell you that they're going to call on this and this customer then I wait a couple of days and ask how it went. So yeah... it doesn't take much.

This view is in line with Ellegaard's (2012, 1224–1226) concept that by continuously presenting positive stimuli and managing the attraction process over time, relationship parties can affect the decisions and behaviours of the other, adjusting the outcomes of the partnership.

However, as noted before, Case 3 informant does recommend maximizing the time spent together, going to dinners and engaging in small talk. This quality time can obviously only be achieved through some degree of local presence, for example traveling to the site. Therefore, Case 3 informant does not identify local presence as an explicit driver for attraction in the same way as other informants, but focuses more on the relationship building in general. He makes an exception, however, in the case of needing to provide customer service and/or equipment repairs.

Another thing is that if they need customer service or something is broken, you need to have a guy at hand who knows how to fix it and who can serve them quickly. -- And it's pretty hard from here to jump on a plane every time something breaks.

Lastly, Case 3 informant has additional insight to the controversial matter of foreign actors attracting Latin American partners relatively more. He admits that Latin Americans generally seem to have a positive attitude towards foreigners coming from outside Latin America, and a desire to make a greater impression on these companies, which is obviously a sign of their attractiveness.

Well let's say Latin Americans have in my opinion a really sort of positive opinion on and respect for foreigners, if we talk about people coming from outside Latin America. And every time if you told them so this guy is American or European, they would be like, combing their hair and like hey, this is it guys! And I think in that sense they are a really easy audience.

As opposed to Cases 1 and 2, Case 3 informant therefore specifies his view of the appreciation of foreigners to concern both Europeans and Americans. Following Ellegaard's (2012, 1224–1226) statement that attraction generates the need to attract, it is clear because Latin American are so keen on pleasing potential foreign partners that they consider foreign partners outside of Latin America to be highly attractive.

Case 3 informant adds that in his experience, many Latin Americans have good impressions on Western business culture, and that they sometimes expect a great deal more from foreign, mainly American or European companies, because they know that business culture in these regions is considered more efficient. Foreign products are also often appreciated for their reputation and quality.

Expectations I think are high, and for example somewhere like in Colombia I think they expect more from a foreigner than from a local, as they know what the culture is.

This statement seems to bear some indication that Latin Americans do evaluate foreign actors to be able to provide superior benefits (Harris et al. 2003, 12) because of the culture they are known to have, which enhances their attractiveness especially in relation to local competition. However, it is difficult to evaluate exactly what those perceived superior benefits are. Nonetheless, as there was indication of foreignness being a factor increasing inter-firm attraction in Latin America on both levels of analysis, it is interesting that it was not mentioned in prior literature on Latin American business culture.

6 CONCLUSIONS

The question this study has been attempting to answer is: what implications does the understanding of relationship marketing in Latin American business culture impose on Finnish software SMEs in their early stages of internationalization into Latin America? The conclusions on these implications will be divided according to the three most important dimensions of relationship marketing: trust, commitment and attraction. The tables in each section will provide a view of the implications of prior Latin American business culture literature in relation to implications found in the study.

6.1 How should trust be understood in Latin America?

According to the study, trust is the most important dimension for business partnerships between Finnish and Latin American associates. It is an imperial prerequisite for a Latin American company to establish a trading relationship with such a distant country. Table 6 presents the theoretical implications in existing literature and the empirical implications that were found in this study to affect the understanding of the trust concept in Latin America and that add to the existing knowledge.

Table 6 – Conclusive implications for trust

Theme	Theoretical implications for the concept of trust	Empirical implications for the concept of trust
Simpatía	Trust is <i>not</i> conveyed in the public persona that is always positive and nice; Trust is <i>not</i> understood through direct words	Difficulty of knowing what a Latin American partner or a client truly needs; Appreciating straightforward and technology-based communication instead of sugar-coating
Personalism	Trust exclusively through personal relationships; “Amigo culture”; Networking and recommendations	Local presence, because while there has been little or no opportunity for face-to-face interaction, trust will not be formed; Personal relationship does not apply in trusting with money
Particularism	Uncertainty due to common unexpected third-party connections diminishes trust	-
Trust	Perception of human nature is seen inherently as evil rather than good; Generally a fairly low level of trust in people who are not family or close friends; Process-based trust: things only	Due to overall suspiciousness proof of everything is required on paper; Interpersonal trust also process-based, created by engaging

	start advancing when a certain amount of trust is built	
Collectivism	Evaluation of in-group/out-group membership through extensive information gathering in numerous social events; Cultural similarity found to have a significant positive correlation with trust; Trust is immediately greater when you know the language	Local presence, to maximize the time available for non-business pastime; Foreigners enjoy a certain appreciation; Coming from abroad requires additional work due to the lack of references and having less time to invest in bonding activities; Local language skills create opportunities for a closer personal relationship
Paternalism	-	
Power	Demonstration of authority a way to provoke affective trust	Latin Americans do not like being the underdog
Humour / joy	-	-
Fatalism	General trust: things are more trusted to fate and less controllable by individual effort; No significant impact on trust from volatile outer conditions, the circumstances are blamed instead of personal errors; Decisions often based on intuition and emotional content, not on the evaluation of facts	Local presence, because of the need for recurrent schedule changes and non-business-related activities; Latin Americans expect their partners to deliver what and when agreed, but do not see their own lack of predictability as a problem; Decision-making processes are complex, postponing the beginning of projects; When something needs to be done fast, Latin Americans take pride in delivering

Trust is understood first and foremost as interpersonal trust in Latin American business culture, created through the personal relationship. This means that only the people Latin Americans have personal relationships with can be trusted, and only the process of getting to know a person will provide sufficient proof of honesty.

Interpersonal trust does not appear over night. It has to be created by engaging in different ways in the business partnership: spending time with the partner outside working hours and getting to know them outside business issues. Latin Americans evaluate indicators of trust and loyalty in business settings by asking a lot of questions about what seem to be very non-business-related things, attempting to find mutual references like similarities in education or hobbies, which is done in numerous social events. It was explicitly recommended to maximize the time available for non-business pastime. While there has been little or no opportunity for face-to-face interaction, trust will not have been formed. In contrast, Latin Americans who have seen and talked to the Finnish party multiple times will make it happen some way or another if something is promised *personally*. The internet makes many things more easy in today's society,

but in Latin America face-to-face contact is the key: calls and emails do not cut it in creating adequate personal trust that is essentially linked to face-to-face contact.

As a logical consequence for the requirements of Latin Americans on the amount of time spent together and the preferred amount of face-to-face interaction, a theme that was explicitly emphasized throughout the interviews was *local presence* in the area where the Latin American partner is located. In fact, it is possible that nothing really gets done without local presence, and it was even stated to be unlikely for a Latin American company to buy anything from Finland without also having a local support network for the product or service. The closer one is to the partner geographically, the more opportunities there is to meet with them, and hence, the closer the relationship will become. This is universal to all business, not only in Latin America. What might in turn be more unique to Latin American business culture is the time that people are required to spend together in order to achieve that personal relationship (see Figure 3).

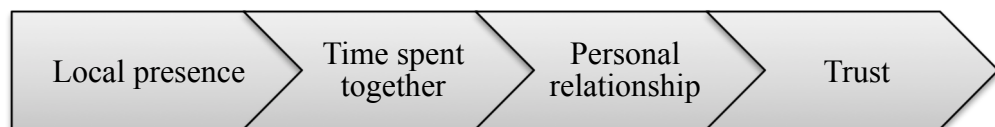


Figure 3 – Local presence as a driver for trust

In the concept of local presence in Finnish-Latin American business partnerships both the “local” and the “presence” seem to hold individual value. According to the study, “local” needs to be defined as *a geographic distance that is relatively fast and inexpensive to cover with the kind of frequency that allows recurrent schedule changes as well as non-business-related relationship building activities outside working hours to take place, whilst not on the expense of business negotiations*. This would in most cases exclude for example intercontinental flights.

“Presence” on the other hand needs to be defined as *being able to provide the partner sustained means to receive market-specific support and evaluate indicators of trust and loyalty though personal communication in situations not directly related to business activities*. According to the study, the optimal result can be obtained by combining the two and there are multiple ways of doing this. For example, locality can be obtained as well through a local sales office or a local intermediary, and presence for example through informal phone calls or face-to-face meetings. However, the need for market-specific support refers to the presence *of someone local*, which clearly underlines the option of a local intermediary as a strategy.

Collectivism and amigo culture seem to present a key factor in reaching networks and people otherwise unattainable; recommendations through personal contacts are often virtually the only channel through which to reach business deals in the Latin

American market. Also, it is hard to win over a Latin American solely by the superiority of a technology, which he/she won't automatically trust. However, when it is presented by a personally known contact whose benevolence has been culturally secured, it is another story. Therefore, coming from as far away as Finland requires additional work due to the lack of references and having less time to invest in bonding activities.

Particularism, or favouring personal contacts, can also diminish trust. The lack of transparency on the actual shareholders in a business deal creates a great deal of uncertainty and lack of trust. Allegiances to third parties are common and hard to estimate, and many doors were said to close for unexpected reasons. Trust is unlikely to be formed if one party's expectations that the other party will, in a given situation, act in certain way, are not fulfilled.

Although it is clear that in Latin America the strongest generator of trust is the personal relationship, this does not apply when it comes to money. It is interesting to note that even though interpersonal trust has been established, money seems to be a different story and trust should never be extended into money-related agreements, although beforehand payments can be regarded as a sign that trust is now safer to be placed on the partner in question. Instead, trust in a business relationship seems to come down to things like not changing partners and always ordering the partner's services.

Local language skills were also found to foster trust in Latin America. When a foreign company is able to do business in the local language, it creates opportunities for a closer personal relationship with the important people in the partnering company, and hence permits their trust. It would be beneficial to have someone inside the Finnish organization who speaks and/or writes Spanish or Portuguese respectively, because when meeting a person after just emailing them in their own language, the reception is a lot warmer as the relationship has already taken leaps, compared to resulting to a purely English communication. Local language skills are one of the biggest challenges Finnish companies face with trust operating in the Latin American market.

However, being a Finnish company in Latin America seems to have benefits on the perception of trustworthiness *despite* the fact that a foreigner may not originally have that much common ground with the Latin American partner, which contradicts with theories of cultural similarity correlating with trust. According to interview evidence, foreigners enjoy a certain appreciation in Latin American business culture. This benefit was extended to mainly Western European countries according to case evidence, whereas American companies can represent somewhat a threat to Latin Americans. Foreigners do not have to be especially knowledgeable or in a high position to reach important people in Latin American organizations: if they only are foreign, they will likely be listened to. Therefore expatriates were said to be a successful investment in Latin American countries even if they would not be in others.

The cultural theme of *simpatía*, however, presents different perceptions of trust between cultures that were frequently described especially troublesome in intercultural trade partnerships. It is culturally very hard for Latin Americans to give a direct negative answer or generally verbalize anything negative *publicly*, and they also possess the tendency of promising the impossible. The evident façade and the public reactions of people cannot therefore be trusted as such. This creates a few challenges for Finnish partners. *Simpatía* makes it difficult to read people's attitudes and opinions from their behaviour. It is common for a Latin American to initially be very excited about a proposition, and then take no action in order to engage in the implementation or realization of the plan in practice. *Simpatía* also emphasizes the difficulty of knowing what a Latin American partner or a client needs. As all value propositions are encountered with the same apparent enthusiasm and polite interest, it is hard to know exactly what kind of solution would actually be best for the client in order to reach a win-win situation important for the relationship, as constructive feedback is also off the limits. The solution for this is to pursue private conversations with Latin counterparts to determine what their real needs are.

However, Latin Americans were found not to necessarily expect the same overly polite verbalizations from their Finnish business partners. Finland and Finns are known in Latin America mostly as trustworthy and hardworking, and Latin Americans were said to in fact appreciate the straightforward and honest, technology-based way Finns tend to communicate. Nevertheless, they are likely to be startled at first by the Finns cutting to the chase so soon during business talks. In general, negotiations in Latin American business culture were perceived less factual and fewer actual matters tend to be addressed in a given amount of time. It is also worth noting that the Finnish style of presenting readily considered solutions for the customer seems to be too fast for Latin Americans. They would much rather be walked through the thinking process instead of being presented a ready-made solution, regardless of having hired a capable service provider. This, like perceiving US companies as a threat, is seen as a product of Latin Americans feeling that power relations in the relationship are unfavourable to them. It seems that Latin Americans do not like being the underdog. However, additional studies would be required to find out the underlying motive.

Additional problems between cultures were created by Latin American fatalism that places less emphasis on following schedules and deadlines as drivers for trust. Latin Americans often rely on fate, and planning is therefore not necessarily seen as effective; their view is that everything works out in the end, even if it were in the last minute. This is impeding for trust because when something is agreed, it does not always hold true within the agreed schedule. This does not cause trust issues for Latin Americans, while someone who is not used to it might perceive it as a lack of predictability. The attitude difference presents one of the major practical challenges in doing business with Latin

Americans especially if no local presence has been established. First of all, if a company does not have a local office in Latin America, flying back and fourth would in most cases be necessary. However, most planned meetings do not happen at the previously planned hour because of the constantly changing schedules, and there is little chance for rescheduling without an established local presence. Second, the lack of predictability through schedules also includes decision-making, as the processes are incredibly complex with intricate power relations, which often postpones the beginning of work projects when following schedules is not a priority. There are, however, significant national differences in this matter, with Chile for example performing excellently. Moreover, fatalism is not seen as a purely negative cultural feature: when something truly needs to be done and fast, Latin Americans take pride in delivering, even though explicit schedules are not rigidly respected.

Despite the fact that Latin Americans are, as a norm, careless with schedules, they nevertheless expect their partners to deliver what and when agreed. Process-based trust, or the track record of positive experience in doing business with the same party, seems to be important for trust formation in Latin America like in other parts of the world. The importance of answering emails, calls, and inquiries quickly, keeping promises, and being available was clear in the study. Things might advance at a slower pace in Latin America, though. Waiting for immediate results without giving the relationship time to evolve to a trusted level would in the light of the study probably not work in Latin America.

This is why it is important to make a good track record with partners to prove trustworthiness by building process-based trust. Lack of trust is common in Latin American societies and bureaucracy is often used in order to relieve suspicions and improve cognitive trust. Even though Finland has a trustworthy reputation, Latin Americans can be very suspicious: according to interview evidence, one has to be able to show references, working after-sales services and proof of everything *on paper*, which tends to come as a surprise. Also, the Finnish party should practice this mentality in their part, because if no personal relationship is built with the Latin American counterpart, grossly embellished reports, if not opportunism, can be expected.

6.2 How should commitment be understood in Latin America?

Commitment, once established, is very high in Latin American business partnerships. Commitment is also a personal factor. Table 7 presents the theoretical and the empirical implications for the understanding of commitment in Latin America.

Table 7 – Conclusive implications for commitment

Theme	Theoretical implications for the construct of commitment	Empirical implications for the concept of commitment
Simpatía	Commitment is clearly communicated in daily transactions; Verbal and non-verbal signs of commitment and caring	Follow up, because being exceptionally interested in the progress of the relationship's processes conveys interest in the market; Follow up because Latin Americans do not inform about a need for assistance independently; Local presence, because loyalty is communicated through personal communication in situations not directly related to business activities
Personalism	Commitment through personal relationships, existence of contracts does <i>not</i> guarantee that they will be followed; Generally very high commitment once established	Local presence, because face-to-face meetings need to take place several times in different occasions until enough personal obligation has formed
Particularism	All business interaction/transactions perceived as favours to a friend	Follow up, because deals are never actually produced if commitment has not been built between the appropriate persons; Beforehand transactions hold value as cues of willingness to commit
Trust	-	-
Collectivism	Commitment more easily and profoundly established between people perceivably from groups with close cultural similarity; Expectation that the group will reciprocate enables constant input flow to the in-group	Local presence, because it facilitates opportunities for cultural similarity evaluations; Follow up, because extremely high-frequency input flow consisting of both formal and informal contact between organizations is needed
Paternalism	Emotional input perceived in showing interest to people inferior in the organization hierarchy	-
Power	-	-
Humour / joy	-	-
Fatalism	Commitment is not shown through deliveries or met deadlines, but in personal relationships; Environmental volatility poses a negative effect on relationship commitment to a foreign supplier	Lack of beforehand plans balances out in flexibility, everything pulls together in the end if need be

The following points more or less sum up the concept of commitment in Latin America: 1) commitment is above all directed to people rather than formal obligations or contracts, 2) Local presence facilitates the creation of a personal relationship, and 3) the preferred amount and frequency of keeping contact with a partner highlights the importance of follow up procedures.

After meeting a potential Latin American partner, it is generally possible to fairly quickly establish whether it is possible to make a profit together from the product or service in question, but it is only *after* the Finnish representatives have returned home that the need for *follow up procedures* arises. In the initial negotiations with a Latin American partner things might look very positive: contracts are signed, and people are enthusiastic, which is many times interpreted by the Finns as the start of a successful partnership. However, it is very common that after the positive start, the Latin American party seems to lose interest completely and may discontinue all communication. In Latin American business culture, commitment is clearly communicated through continuous gestures in the informal interaction between people, and if these gestures are not being seen from the partner, it should indicate that commitment does not yet exist.

This occurs possibly in part due to the emphasis on *simpatía*, not wanting to verbalize anything negative or the possible unwillingness to continue the relationship, and resulting in complete silence or euphemisms. In contrast, it is hard for Finns to perceive a subtle 'no', especially as the loss of interest can happen in a stage where a contract can already be signed. However, even though it is easy for a Finnish company to perceive their Latin American partner as uninterested, they may well be interested, only not committed. If commitment has not been built between the appropriate persons, deals are never actually produced if the Finnish exporter does not exercise follow up. It comes often as a surprise for inexperienced exporters that commitment is not created in Latin America merely because a contract was signed, and sadly many relationships between Finnish exporters and Latin American partners end specifically due to the lack of follow up. Follow up procedures in Finnish-Latin American business partnerships can be defined as follows:

Follow up is, after reaching a business agreement together, actively maintaining a high frequency of both formal and informal contact between organizations and their representatives by politely pushing, reminding, supporting, incentivizing, imposing, following through on decisions and being exceptionally interested in the progress of the relationship's processes.

Follow up interestingly falls mostly on the shoulders of the Finnish party, as Latin Americans themselves are not prone to taking on follow up activities or inform about a need for assistance independently even considering that the relationship would be beneficial to both parties. The follow up communication does not require discussing business matters; frequency of communication is the most important factor and simply

being interested in what is happening at the partner's end is enough. Although it is unlikely for any partner to start selling another company's products without follow up anywhere in the world, the frequency should specifically be a lot higher in Latin America. Commitment may not be that easy to communicate on a company level, so it must also be done interpersonally.

Essentially, follow up constitutes as the continuum of friendly gestures in the interaction between partnering companies, which represents the communication of commitment in Latin American business culture. If follow up is left on too narrow terms, the partner's thinking process is likely to arrive to the conclusion that the exporter firm is not interested in the market, in which case they will probably discontinue the active promotion of the product, as agents usually have many clients to represent at a time. Therefore follow up is an important tool in order to ensure sufficient representation resources in relation to other brands or products in the agent's portfolio. Ensuring weekly communication can be used as a guideline, because once in a month or two is supposedly not enough to keep the partner engaged with the product. Also due to emphasis on personal relationships and time-consuming follow up, the Latin American market tends to slow down processes. Therefore it is perhaps not advisable to evaluate the market by the same attributes of time as in other parts of the world.

In addition to having constant contact with the partner, a key aspect in fostering commitment in the Latin American partner is local presence, important in enabling sufficient opportunities for relationship building activities. Local presence was highlighted and defined already as important for trust formation. This can be considered a logical similarity, as both trust and commitment are mediated by the personal relationship. As local presence was found to facilitate a closer personal relationship, and as establishing the personal relationship acts as a driver for both trust and commitment, the definition of local presence does not differ when applied to commitment.

To establish the same level of presence in Latin America that a local office would provide presents a challenge for Finnish companies. Case 2 was the textbook example of facilitating commitment in Latin America by local presence. They have an agent living on site, who is able to deal with the daily relationship routines, without language or culture barriers. The agent contacts and agrees on preliminary negotiations with actual partners, in this case distributors, which is when Case 2 company brings in the value offering and starts dealing with the partner in the actual course of the relationship through the agent who is able to act as a local contact point.

Fatalism in Latin American business culture seems to be a reason why commitment is directed to people and not formal contracts. Latin Americans perceive many things as not being in their immediate control, and uncontrollable events make rigid following of operation plans seem irrelevant or pointless. Organizations do not use schedules and agendas as rigidly, but instead things are done in a manner that seems appropriate at a

given time. Therefore falling behind schedule does not represent a lack of commitment, but simply the different understanding of control. People, however, have control over themselves, so the lack of beforehand plans balances out in flexibility: everything pulls together in the last minute and people stretch in order to get things done. The level of fatalism also presents national differences throughout Latin America.

Another mind-set difference is that transactions constitute as a commitment cue in Latin America. Almost all business, including transactions, is perceived as favours to a friend, rather than formal obligations in a contract, and after this kind of favour or transaction there is always the expectation of reciprocity. For example if the partner pays for a demo package order, this can be taken as a sign of the willingness to commit and advance the relationship, even though the exchange of money in other cultures holds no importance as such.

6.3 How should attraction be understood in Latin America?

Even scientists have found it difficult to agree on an apt definition for attraction, and the abstract nature of the concept was also mirrored in the data, although many implications were found regardless. Table 8 draws a conclusive picture of the theoretical and the empirical implications for the understanding of commitment in Latin America.

Table 8 – Conclusive implications for attraction

Theme	Theoretical implications for the construct of attraction	Empirical implications for the construct of attraction
Simpatía	Attraction requires both parties to excessively show positive behaviours; Easily interpreted insults that diminish attraction; On-going attraction cannot be explicitly perceived from overall niceness; Disapproval of going directly into the point or giving a straight negative answer	Follow up, because high frequency of presenting positive stimuli is needed; Asking for concrete details about the proposed contract as a good indicator of genuine attraction; Appreciation for the directness and matter-of-fact type business approach of Finns
Personalism	Social relationships are the most central indicator of attraction; Attraction based on the personal relationship and the reciprocation value it is assumed to produce	Latin Americans attracted by relationship closeness; Follow up, because presenting positive stimuli to create relationship closeness; Local presence, because closer geographical proximity allows more bonding activities outside business hours

Particularism	Greater attraction in case of accommodating certain exceptions for the partner that cannot be bluntly refused	-
Trust	-	-
Collectivism	Local language skills as an indicator for in-group similarity	Local presence allows opportunities for cultural similarity evaluations
Paternalism	Attraction depends on pleasing all parties involved in the decision making process, not just the most obvious manager	Being attractive for all communicative gatekeepers above and <i>below</i> the most obvious manager
Power	Power should be explicitly demonstrated, because the people with more authority are able to accommodate wider personal rewards	Appreciation for foreign partners expected to be able to provide superior economic benefits; Ready-made solutions can make a Latin American counterpart feel inferior or less; Lack of local language skills likely to diminish attraction because Latin Americans rarely are comfortable with their English
Humour / joy	-	-
Fatalism	-	-

The effect of the cultural theme of *simpatía*, or the emphasis on positivity, implies that Latin Americans find it hard to say no to anything; it is recommended to give a “Latin no” instead of a direct one. Also, people might show extreme positive behaviours in initial negotiations. They might for example say that the offered proposition is perfect and they very much want to be involved, but then, nothing happens. This is why attraction cannot be explicitly perceived from the positive attitude that is presented, but one has to interpret the level of true attraction towards any propositions from between the lines, or in personal discussions. However, the moment when the Latin American party starts asking for concrete details about the proposed contract was found a good indicator of genuine attraction.

In addition, the small talk mentality and the frequent use of titles are evident in Latin American culture. Going too directly into the point, like beginning sales discussions too early into the meeting, not dedicating enough time for the required verbal interaction, is a style that is not very attractive for Latin Americans, although for example Chileans as an exception appreciate the directness of Finns and their matter-of-fact type of approach. Interpersonal attraction is important because Latin Americans tend to engage in a lot of apparently non-business related, relationship building events, like long lunches and even family dinners, and asking about people’s children, hobbies and other non-business-related things. The more personally the partners know each other, the more attraction as the force pulling the parties together can be observed. Also, for

example sending a small gift for a manager's secretary who is the gatekeeper for reaching the manager is likely to start communication on a whole new level. This implies the importance of personalism, being attractive for all communicative gatekeepers by giving personalized, individual attention. However, national differences apply, for example in Chile the attitudes towards personalism are stricter.

Generally speaking, it is very common that Latin Americans are attracted by a kind of closeness in the relationship. It became clear in the study that the ability to provide local presence for the Latin American partner acts as a driver for attraction between them and the Finnish party, as well as for trust and commitment. Attraction is the force pulling the relationship parties together, and as it was stated in the study, it is unlikely for a Latin American to buy from an overseas company without a local support network, which illustrates local presence as a factor in being considered attractive. A local intermediary was also explicitly recommended as a strategy in Latin America. The almost mandatory provision of local presence can also be considered as a cost for the Finnish party, which should be included in the overall evaluation of the reward-cost outcomes of the relationship.

In Latin America it is much more important to sell the person and have interpersonal attraction than sell the results derived from the provided service, as is often the goal in other markets. In fact, presenting a ready-made solution for the customer's order can be a turn-off for attractiveness. Most of the time Latin Americans have to be walked through the process so that the client feels that this is what they wanted, whereas in other markets the expertise of presenting thought-out solutions is considered an asset. It is suggested that this level of strategic expertise can make a Latin American counterpart feel somewhat inferior or less, as they may perceive they have not had the opportunity to fully understand the process, even though the solution is made to benefit them. While the rationale for this kind of attitude likely requires more detailed studies, it is possibly the result of paternalism and/or power, referring to the male-dominated, highly hierarchical organization of the Latin American society, where harmony is maintained by a kind of groupthink and a lower-status person cannot put forward ideas conflicting with those of the high-status individual. Superior ideas can therefore appear as a threat to Latin Americans because of this machismo mentality. The strictly hierarchical organization structures also imply that there are not one, but multiple levels and actors in a decision making process. It would be important to attract and direct one's words to the correct individual of the correct hierarchy layer, which are often hard to identify, and this complexity often postpones operations significantly.

Lack of local language skills is also likely to diminish attraction for the same reason as presenting ready-made solutions, because Latin Americans are rarely comfortable with their English, even if their skills were good enough. Therefore having to communicate in English often removes them from their comfort zone, which can be

regarded as an emotional cost, generating mental efforts such as embarrassment or anxiety. It is beneficial to be able to offer the partner, through local language speaking representatives or additional intermediaries, the advantage of communicating in their own language and letting them have, in a way, the upper hand. Language skills are an important component in maximizing a company's attractiveness for potential Latin American partners by building closer personal relationship, and the appropriate people having language skills to begin with would be the optimal situation.

As noted before, the compatibility between companies in a particular relationship around a particular value offering can be worked out quite quick in terms of monetary gain, but the craving of Latin Americans for a closer personal relationship also implies that attraction requires follow up in the later course of the relationship. Follow up was defined in the context of commitment as *actively maintaining a high frequency of both formal and informal contact between organizations and their representatives by politely pushing, reminding, supporting, incentivizing, imposing, following through on decisions and being exceptionally interested in the progress of the relationship's processes*. Universal definitions for interpersonal attraction state that it is not possible to form attraction from a "professional distance". As Latin Americans value a close interpersonal business relationship, this has to be offered to them in order to reach the win-win situation that attraction is based on. This means that by constantly presenting positive stimuli in the form of follow up and constant contacting towards the partner, the Finnish party is able to direct the processes in the Latin American partnering organization towards the mutual goals of this particular relationship, instead of other goals. Follow up procedures ensure that this particular relationship is kept in the forefront in the mind of the Latin American partner.

Frequent contact with the partner has to be constant and polite, and involve some incentives for the partner. Offering as much resourcing and support as possible for the partner in the beginning of the relationship is likely to increase attraction towards getting involved in the relationship. However, as noted before, follow up activities remain as a responsibility of the Finnish party and are therefore very one-sidedly practiced. They can also be included in the whole cost-benefit evaluation of attractiveness of the relationship, since it constitutes as what seems like a mandatory cost of time and effort from the Finnish partner's perspective.

On the plus side for Finnish exporters, in their choice of business partner Latin Americans generally seem to value foreign companies coming from outside Latin America somewhat above domestic ones, especially those from Western Europe, and they wish to make a greater impression on these companies. Attraction is defined as "something that makes a supplier interesting to a given customer", or vice versa, and it seems evident that foreignness is one of the things that fit this definition. It is not entirely certain why this happens, however, as valuing anything foreign seems to be in

contrast with universal human attraction theories, arguing that individuals with similar characteristics are likely to support each other's views and have less conflict in their interaction, which is attractive to human psychology. Nonetheless, as Latin Americans often expect a great deal more from foreign partners, it is probable that they evaluate foreign actors to be able to provide superior economic benefits, access to important resources, or to possess other valuable rewards such as information, services, legitimacy, or status. Also, companies from the United States seem to be excluded from the preferred foreign actors because Latin Americans seem to somewhat detest doing business with someone they perceive as having the upper hand, which might constitute as a personal or psychological cost and in turn make Latin Americans feel more equal in business relationships with certain Europeans.

6.4 Theoretical and managerial contributions

Matrix of the most critical contributions is presented in Table 9. Theoretical contributions are essentially related to the drivers that were found to enhance the effective management of each construct in a business relationship between Finnish and Latin American companies. The study has comprehensively defined the drivers of local presence and follow up in their respective areas by linking the effects of multiple cultural themes together.

Table 9 – Contribution matrix

	Trust	Commitment	Attraction
Theoretical contribution	Definition of local presence as a driver for trust in Latin America	Definition of follow up and local presence as drivers for commitment in Latin America	Definition of follow up and local presence as drivers for attraction in Latin America
Managerial contribution	Investments in and resourcing for interpersonal trust building especially	Follow up and local presence ideally require additional resourcing for the Latin American market	Strategic selling points should be more relative to the person or persons involved than to results obtained

The managerial contributions of the study are principally linked to the practices of conducting an effective relationship marketing strategy when entering into a business relationship with a Latin American partner. Generally they point to the fact that more resources should be allocated to the Latin American market in relation to local presence and follow up activities than to other markets. This, understandably, is not always

possible in a company. Finnish companies should, however, acknowledge the special characteristics of this cultural region and answer to the requirements of the partner and/or customer insofar as resources are available. If for example local presence cannot be optimally provided, perhaps extra time can still be put into presence through other means, like phone calls. Also attraction-wise, in Latin America selling the person is much more important than the results obtained from a product or a service. This should lead to more careful choosing of a suitable salesperson to lead the sales on that market.

6.5 Limitations and future research

The study may be limited in terms of some of the significant national differences inside Latin America that mostly blur out in this particular study. Also, a more optimal result would have been achieved through conducting preliminary interviews first, and only after analysing general informant results moving into case interviews with a set of specified questions based on the preliminary data. In this study some overlap in the two levels of analysis did occur. Wider data triangulation would also have been optimal, as the data has now been collected through the network of a single Finpro office.

A few findings in this study did not receive full explanations, including the dislike of Latin Americans to feel like the underdog when their partner is presenting a well thought-out solution, or when having to result in communication in English. It would be interesting to dig deeper into whether the macho mentality truly is the cause for perceiving an inferior position in these situations with Finnish or other partners.

Also, the appreciation for foreign partners, mainly from outside Latin America and especially Western Europe, was left without a comprehensive rationale. The effect of nationality found in this study to affect mainly the perceptions of trustworthiness and attractiveness suggests that Latin Americans are to some extent xenocentric in their business partner preference. Xenocentrism is the tendency among cultures to consider other cultures as being a superior reference point to one's own (Kent & Burnight 1951, 256). It has also been said that xenocentrism is common in Third World countries' relationship with Western culture (see for example The McGraw-Hill Companies 2009, X1). It would be interesting to study xenocentrism and the effect of partner nationality on business relations between Latin American and non-Latin American cultures more closely.

7 SUMMARY

After a productivity decrease of established national export industries in Finland such as mobile and paper industries, innovative, smaller companies with the intentions to internationalize right from the start have been proliferating. Start-ups are developing new ideas in many industries, but software is the one especially easy to bring to foreign markets quickly, as Internet usage becomes increasingly homogeneous across borders and software products often do not need a physical distribution channel. Globalization also makes Finnish companies turn to unfamiliar export markets like Latin America, which is definitely not a traditional market for Finns. Dyads consisting of Finnish and Latin American business partners have therefore not been studied widely before, especially from a new-age software company's perspective.

To study these partnerships, relationship marketing theory was taken into the core of the study, as its practice focuses mainly on establishing and maintaining relationships with stakeholders at a profit, so that the objectives of all parties are met, and that this is done by a mutual exchange and fulfilment of promises (Grönroos 1994). The most important dimensions of relationship marketing were focused on, as the study aims to understand the implications Latin American business culture has for the understanding and hence, effective application of relationship marketing in the Latin American cultural market area. The question to be answered consecutively was how should the dimensions of trust, commitment and attraction be understood in business in Latin America?

The study was conducted by first joining insights given by Latin American business culture literature with overall theories on the three dimensions. These patterns were then, with the technique of pattern matching, compared to patterns in the empirical evidence collected from business professionals of the Latin American market and from the experiences of Finnish software businesses that had recently expanded into the Latin American market.

What was found was that previous literature on Latin American business culture had already named many implications for the relationship marketing dimensions that were relevant also for small Finnish software firms on the market. However, key findings also presented a couple of important new drivers for the three constructs. Local presence in the area where the Latin American partner is located was found to drive or enhance trust, commitment and attraction. High-frequency follow up procedures were in turn found to drive commitment and attraction. Both local presence and follow up were defined according to the respective evidence in the study. Also, in the context of Finnish software firms in relationships with Latin American partners, the national origins or the foreignness of the Finnish party was seen to enhance trust and attraction in the relationship.

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