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# **Understanding the Impact of Cultural Differences on Invoicing Disputes: A Data Analysis Report**

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## BACKGROUND

Yellevate focuses on helping other businesses advertise themselves. It aids in launching marketing initiatives for mid-sized businesses, such as email marketing, website design, content generation, and other activities.

Yellevate monitors how successfully it aids businesses in enhancing their marketing operations through data analytics. For instance, Yellevate monitors this by looking at email impressions, click-through rates, website traffic, and other key performance metrics if a firm asks it for assistance in improving its online advertising operations.

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## METHODOLOGY

After collecting and cleaning the necessary data, we utilized both SQL and Microsoft Excel to perform the analysis. Our first step was to examine the data and group the disputes based on the location of our clients. This allowed us to obtain the “total number of disputes” and the number of “disputes lost” for each country. By computing the quotient for these two values, we were able to determine the “lost percentage of disputed invoices” per country.

Moreover, we also calculated the “disputed cases percentage” by dividing “total number of disputes” with “total invoices” for each country. This analysis provided us with a clear understanding of the extent to which the country highly impacts the dispute. and allowed us to identify potential areas for improvement in the company's operations.

# FINDINGS

Below are the visuals taken from the Analyzed Data Set:

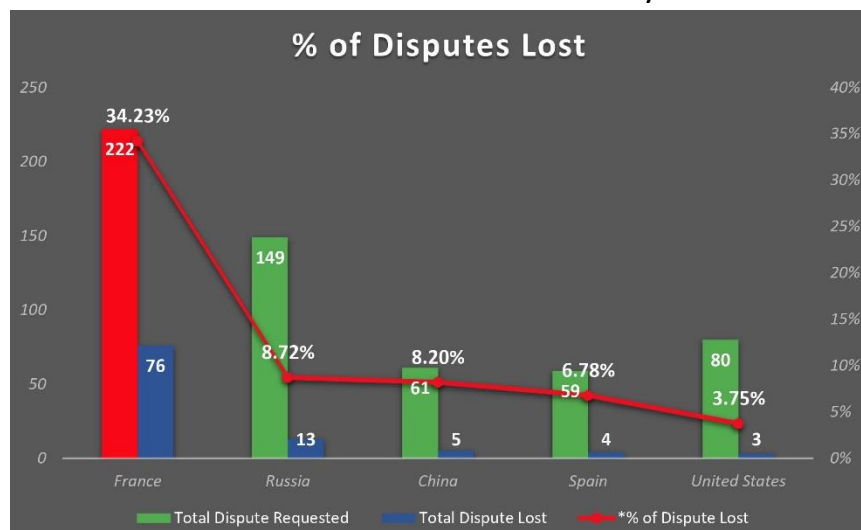


Chart 1 – Percent of Disputes Lost per Country

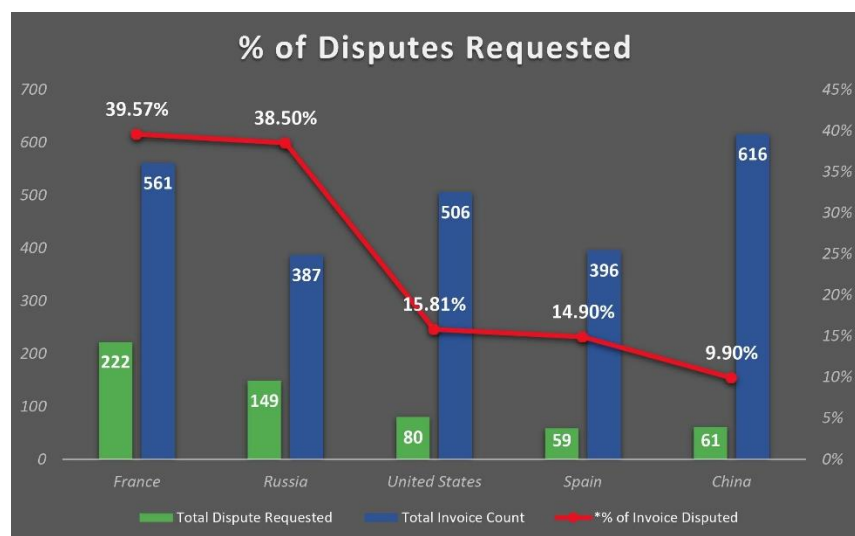


Chart 2 – Percent of Disputes Requested per Country

Upon analyzing the data through visuals, we observed that the nature of disputes varied across different countries, and as a result, the percentage of disputes also varied significantly.

We investigated potential reasons as to why some countries had higher disputed cases despite having a lower number of invoices, while other countries had a higher number of invoices but a lower number of dispute cases (See Chart 2).

After conducting a thorough analysis, we concluded that the ongoing dispute is not related to the quality of service provided by Yellevate. Instead, we hypothesized that cultural differences among the company's clients may be a significant contributing factor to the dispute.

We conducted internet research on the cultural differences related to business contracting for each country and discovered that these differences varied significantly across different regions.

The summary below is the context found during our research:

<b>Country</b>	<b>Business Traits</b>	<b>Reference</b>
FRANCE	<i>The <u>French</u> like to <u>carefully analyse every detail of a proposal</u>. A more formal, logical tactic allows the French to debate and ask questions about the point of negotiation. When an agreement is reached, your French counterpart may insist the <u>agreement be formalized in an extremely comprehensive, precisely worded contract</u>.</i>	<a href="https://culturalatlas.sbs.com.au/french-culture/french-culture-business-culture">https://culturalatlas.sbs.com.au/french-culture/french-culture-business-culture</a>
CHINA	<i>The <u>Chinese</u> must feel comfortable with foreign negotiators before doing business with them. Personal commitments can be more binding than contracts. <u>Contracts are usually a commitment to do business together, but are many times not legally binding</u>.</i>	<a href="https://scm.ncsu.edu/scm-articles/article/negotiations-contracts-and-the-chinese-culture">https://scm.ncsu.edu/scm-articles/article/negotiations-contracts-and-the-chinese-culture</a>

RUSSIA	<i>Russians tend to make agreements when the whole settlement is conceptualized but not necessarily worked out in detail. This can lead to difficulties later when working out each step in implementation.</i>	<a href="https://culturalatlas.sbs.com.au/russian-culture/russian-culture-business-culture">https://culturalatlas.sbs.com.au/russian-culture/russian-culture-business-culture</a>
USA	<i>Americans would prefer to move quickly to an agreement, which could feel rushed to you. This goes back to the earlier points that Americans do not feel the need to first establish a personal relationship and that since “time is money”, they do not want to waste any. The main objective of negotiations is to get a signed contract. Once signed, contracts are legally binding documents. During the negotiations, all the contractual details will be scrutinized and if there are any disagreements later on, the contract will be referred to. There are often both state and federal laws that apply and both you and your American counterpart will have to adhere to them.</i>	<a href="https://www.globig.co/blog/a-quick-guide-to-business-etiquette-in-the-united-states">https://www.globig.co/blog/a-quick-guide-to-business-etiquette-in-the-united-states</a>

# CONCLUSION

According to the references provided, Cultural Differences are likely to have a significant impact on Invoices Disputes.

After querying the Invoices Dataset using SQL, it was found that France has both the highest number of disputed invoices (222) and the highest percentage of disputed cases (39.57%). This is believed to be due to the fact that the French people are very detail-oriented, particularly when it comes to technicalities in contracts. Consequently, if Yellevate fails to follow or execute small details within the terms of reference, the French customers may become dissatisfied, leading to a dispute which they may eventually win.

In contrast, China has the lowest count of disputed invoices (61) and the lowest percentage of disputed cases (9.90%) because Chinese view contracts primarily as a commitment to conduct business together rather than as legally binding agreements.

Furthermore, it should be noted that Russia has a high number of disputed cases (149), with a significant percentage resulting in losses (8.2%). This is believed to be due to the fact that Russians tend to make agreements when the whole settlement is conceptualized but not necessarily worked out in detail.

# RECOMMENDATIONS

1. **Consider the cultural differences in drafting a contract.** When doing business internationally, it is essential to consider cultural differences and customs to ensure successful transactions. One crucial aspect of this is drafting contracts that are culturally appropriate and effective.
2. **Training Sales representative / associates who are knowledgeable about the business customs of each country.** This means hiring and training employees who have experience and understanding of the cultural nuances of the countries where the business operates. These individuals can provide valuable insights into how to draft effective contracts that are culturally appropriate and can help bridge any communication gaps between parties. Having a team with this knowledge can help businesses navigate complex negotiations and build strong relationships with their partners
3. **Retain the services of a lawyer to scrutinize the particulars of each contract for the specific country.** While having knowledgeable personnel on the team is crucial, it is also essential to have a legal expert review the contract to ensure that it is legally binding and enforceable. Retaining the services of a lawyer who is familiar with the legal system and cultural nuances of the specific country can help businesses avoid legal disputes and ensure that the contract is fair and balanced.
4. **Training the Advertising specialists on the latest advertising trends.** Training advertising specialists on the latest advertising trends is crucial to keep them up-to-date with the rapidly changing industry. It is essential to equip advertising professionals with the necessary skills and knowledge to meet the market demands. Investing in the professional development of advertising specialists can help companies improve their advertising strategies and maintain competitiveness.