

# THE OTHER CUSTOMS BARRIER

CULTURAL RESEARCH AVOIDS BUSINESS BLUNDERS

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Discovering cultural differences in business practices should be an integral part of conducting market research for new opportunities.

Whether you are a new exporter or are exporting but looking for new markets, cultural factors play a very important role in determining the success of the venture. As markets open and the demand for American goods abroad increases, challenges beyond the traditional details of exporting now face firms doing business abroad.

Doing business with international clients requires more than just an understanding of the myriad of international rules and regulations. A lack of knowledge about a customer's culture can lead to misunderstanding, frustration, potential embarrassment and even loss of business. As David A. Ricks writes in *Blunders in International Business*, "Cultural differences are the most significant and troublesome variables... the failure of managers to fully comprehend these disparities has led to most international business blunders."

Savvy exporters are now not only expected to be familiar with country marketing reports but should also

conduct research on their clients' culture and regional etiquette when preparing to enter new markets.

The building of successful business relationships is a vital part of any venture, and such relationships rely heavily on an understanding of each partner's expectations and intentions. Export representatives will want to ensure that they make the best impression on potential clients. This means that in addition to understanding preconceived notions about American business practices, it is also important for the international representative to have at least a basic familiarity with the customs and practices of the country in which the company is considering conducting business. Gift giving, proper forms of address, appropriate dress, entertainment, holidays, business hours and sense of time, are just some cultural differences of which to be aware. Mastering international business etiquette and understanding foreign customs is imperative for success in exporting.

Each culture has its own idiosyncrasies when it comes to social business relations and successful marketing strategies — what applies in one country often does not apply in another. Strategies that thrive in Japan will most likely fail in Hong Kong; therefore, not only is it important for

new to export companies to be aware of the ramifications of cultural differences but also for already successful exporters contemplating expansion into new markets.

## SOME INTERESTING CULTURAL OBSERVATIONS

- In the People's Republic of China, don't write notes using red ink. This suggests that the writer will die soon. Avoid using the number four at all costs because this, too, signifies death.
- In India, the significance of a business arrangement is often determined by the amount of time spent in negotiations.
- In Thailand, it is considered offensive to show the sole of the shoe or foot to another. Therefore, it is necessary to take care when crossing your legs.
- In Saudi Arabia, the law prohibits the wearing of neck jewelry by men, and westerners have been arrested for neglecting to observe this rule.
- In Argentina, do not be offended if your business associate arrives 30 to 40 minutes late to a meeting.
- In Costa Rica, if you are invited for dinner to a home, bring flowers,

chocolates, scotch or wine. Do not bring calla lilies; they are associated with funerals.

■ In Germany, first names are reserved for family members and close friends. Moreover, in German business culture, it's not uncommon for colleagues who have worked together for years not to know of each other's first names.

## SOURCES OF INFORMATION

There are numerous sources of information available to exporters designed to decrease the likelihood of cultural blunders. The Trade Information Center (TIC) can assist businesses on all issues relating to exporting. The TIC can be reached by calling 1-800-USA-TRAD(E) or by visiting their website at [www.tradeinfo.doc.gov](http://www.tradeinfo.doc.gov). The U.S. & Foreign Commercial Service is also an excellent resource for businesses looking to enter new markets. Located in over 80 countries, Commercial Service officers are available to assist in not only traditional business matters but also in cultural etiquette in your target country. Contact your local Export Assistance Center or visit [www.usatrade.com](http://www.usatrade.com) to get in touch with a Commercial Service officer.

In addition, the following websites and publications provide helpful cultural information and guidelines for businesses looking to expand to new international markets.

## GENERAL WEBSITES

[www.executiveplanet.com](http://www.executiveplanet.com) — Covering numerous aspects of business protocol, including gift giving, negotiating tactics, appointments, business entertaining and cross cultural communications, this website provides an excellent starting guide to international business etiquette and culture for U.S. top trading partners.

[www.etiquetteintl.com](http://www.etiquetteintl.com) — This website is a good resource for exporters con-

cerned about business etiquette. Valuable advice and extensive tips are provided on international business customs.

[www.worldbiz.com](http://www.worldbiz.com) — This site provides a list of informational reports available on international business practices, business protocol, etiquette, cross-cultural communication, negotiating tactics and country-specific data.

[www.fita.org](http://www.fita.org) — The Federation of International Trade Associations offers a free bi-monthly publication of useful websites often relating to cross cultural business.

[www.bena.com/ewinters/OnlineTutorial.html](http://www.bena.com/ewinters/OnlineTutorial.html) — This online cross-cultural communication tutorial is helpful for firms going international.

## REGIONAL AND COUNTRY WEBSITES

[www.culturalsavvy.com](http://www.culturalsavvy.com) — This very informative and well-maintained site provides useful business tips and backgrounds on Japan, China and Korea

[www.2gol.com/users/coynerhm/etiquette1.htm](http://www.2gol.com/users/coynerhm/etiquette1.htm) — Here is a website that will link you to information on language, business attire, introductions, business hours, currency, telecommunications and general etiquette for different countries in Asia including, Vietnam, Thailand, Singapore, Malaysia, India and South Korea.

[www.japan-guide.com/e/e622.html](http://www.japan-guide.com/e/e622.html) — This site is a good source of knowledge for basic rules of Japanese etiquette both personal and business.

[www.traderscity.com/abcg/culture.htm](http://www.traderscity.com/abcg/culture.htm) — This website provides tips on behavior in Arabic countries for westerners doing business there.

[www.cyborlink.com/besite/latiname.htm](http://www.cyborlink.com/besite/latiname.htm) — Appropriate business and social etiquette for Latin American countries is listed on this site.

[www.users.erols.com/iauincl/](http://www.users.erols.com/iauincl/) — Here links are provided to sites dedicated to strengthening North American - Latin American understanding and cooperation, such as cultural relations, business practice and more.

## PUBLICATIONS

### *Kiss, Bow, or Shake Hands: How to Do Business in Sixty Countries*

By Terri Morrison, et al.

A good, easy-to-use reference on cultural overviews, behavioral styles, negotiating techniques, protocol and business practices for the 61 countries with which U.S. exporters are likely to do business.

### *Understanding Arabs*

By Margaret Nydell

This book is a very informative cross-cultural guide and presents an overview of Arab culture as well as individual frameworks for each of the nineteen Arab countries and their differences.

### *Communicating with Customers Around the World*

By Chan-Herur, K.C.

A concise, easy-to-use guide filled with 'must-know' information and practical tips to help you communicate with your international customers.

### *Blunders in International Business*

By David A. Ricks

This book, by relaying interesting anecdotes, takes a fascinating look at how mistakes are made everyday by large and small companies as they try to compete globally. ■

