

Doing Business in China “The Cultural Dimension” you MUST know

By Alison Lennon, MCIInst.M
Alisonlennon2@gmail.com

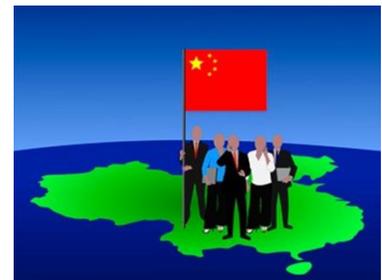


If you have visited China like I have done, you will realize that it takes only one visit to understand the cultural dimension “China Strategy”.

China is the world’s largest economy with about 1.4 billion in population. It grows at a rate of 8% per annum. Already the world’s largest market for cars, cell phones, seafood, luxury goods and the list

is long.

If you are thinking of expanding your business, investing or seeking partnership in this region, there are some international marketing strategies to consider. The most effective is the “Cultural dimension of the Chinese market”.



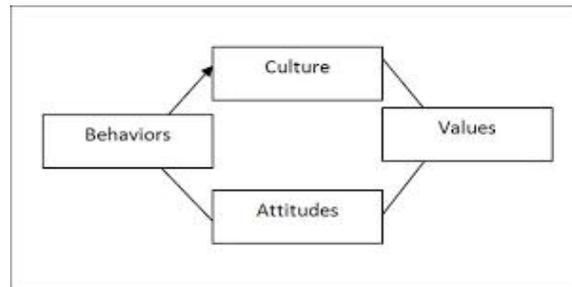
International expansion might not necessarily be the best way to expand or grow your business, but if you must dream, dream BIG.

Culture is an important element of international marketing. A successful marketer must be a student of culture. Culture is pervasive in all marketing activities from pricing, promotion, channels of distribution, product, packaging and more.

Marketing activities are judged in a cultural context for accepting resistance or rejection. Hence, an organization or person must not only appreciate the cultural differences pertinent to their business, they must understand the origins of these differences.

Some Cultural Values and Dimensions for doing business in China you must know:

- ✓ No defence against power abuse by superiors. A strong sense of hierarchy exists. Loyalty to a superior is considered sacred.
- ✓ China is success oriented and driven. Many Chinese will sacrifice leisure and family priorities to work.
- ✓ Pragmatism is a fact of life. They believe the truth depends very much on the situation.
- ✓ Business tends to be small to medium and majority are family owned.
- ✓ State-owned companies control much of the economy.
- ✓ The Chinese have traditionally emphasized group harmony, guanxi-cultivation, and relationship-building. International managers must be aware of these orientations (patience, building trust & reciprocity).
- ✓ China is a restrained society with a tendency of cynicism and pessimism.
- ✓ The culture in gift-giving can be ambiguous. To not appear greedy, they can refuse a gift three times before accepting it.
- ✓ You must offer a gift to the Chinese with both hands, once accepted, tell the person you are happy they accepted it.
- ✓ Officially, the Chinese government see gifts as bribe. It is sometimes better to wait after your business negotiations are accepted before presenting a gift.
- ✓ Gifts are better presented in a gesture of friendship and not business. Present a gift to the senior person and make it an expensive gift which would be mostly welcomed.
- ✓ Chinese culture is important with colours and numbers. Red is a lucky colour. Pink & Yellow symbolizes happiness. The number 8 is the luckiest number. The number 4 is negative.





- ✓ Black, white, and blue are regarded as negative colours usually associated with death and funerals.
- ✓ A polychronic time system is in effect in which there are relaxed time schedules and deeper involvement with individuals (friendship before business) and a wait to see what develops attitude rather to a direct decision.
- ✓ The Chinese are high context which means an implicit emphasis on the context of communications. (communications beyond words)

Incorporating these dimensions into your marketing and communication strategies for success in China would be beneficial, including Web site design and visuals in advertising. The impact of cultural factors determine economic success. Is your business ready for this market?

Understanding this information is essential to establishing a solid relationship with future business partners and customers in China.

QUOTE

"Don't assume that just because your product is popular in your home market or other markets that adaptation (beyond packaging and labelling changes) will not be required ... If you have to re-engineer your product, do so from the bottom up rather than removing features from the top down."

~ Jackie Greenizan, Marketing Director, McCain Foods Ltd, China ~