

INTERNATIONAL MARKETS: Cultural Competency

To successfully expand to international markets, business competency is not enough; developing cultural competency is crucial. This cultural competency is important for developing business relationships as well as in marketing and branding products and services. It will help you avoid mistakes, small and large, from innocent faux pas to taboos from which one cannot recover.

The first step is to appreciate that cultural differences exist and are often deeply held. It is important to keep an open mind. What you may think of as “common sense” may seem unthinkable to a foreign buyer or partner, and vice versa.

To help enhance your cultural competency, we will walk through the first meeting with a potential new foreign business contact. Then we will address the things to keep in mind when fostering and building business relationships internationally.



The First Impression



The importance of a first impression is a cultural universal; but what makes a good impression varies from region to region and culture to culture. To illustrate, let's walk through the elements of a first meeting.

Elements of a First Meeting

Appearance and Dress: Differences in nomenclature and fashion habits can create uncomfortable situations. In the United States, the term “business casual” implies a pair of khaki trousers, a collared shirt, and sport coat. However, since there is no formal definition, many have come to remove the sport coat. In contrast, the term “smart casual” is common in many European countries. Smart casual is generally more formal than business casual and many people define it as a business suit with open collar.

Greetings: Handshakes are a universal business greeting, though expected execution varies by culture. In the United States, the exchange of a firm handshake is expected. In the United Kingdom, too firm a handshake is considered rude. In Brazil, handshakes are shared and greetings have the tone of a more relaxed environment. In China, handshakes and formal introductions (often including full name and title) are expected. The initial meeting and exchange of greetings produce a first impression. If one takes a few minutes to learn what is culturally expected, then the group can get onto conducting business, rather than worrying about recovering from an awkward introduction.

Personal Space: In the United States, we take for granted our “personal space.” We have been cultured to provide people approximately 48 inches when carrying on a conversation. Asian culture allows very little personal space. The culture in Brazil is to stand so close that two people are touching shoulders. In Europe, personal space falls between the two extremes as individuals generally allow 24 to 36 inches of personal space. Because we are used to the customary distance provided in the United States, it is common to be surprised by the relative lack of personal space in other cultures. It is important to be aware of cultural differences and ensure that one does not make a business or social error by attempting to restore one’s comfort area.

Quick Example – Greetings

How it’s Done in the U.S.: A firm handshake

How it’s Done in Fiji: A prolonged handshake that can last the length of the conversation

Business Cards: The use of business cards is as common internationally as it has come to be in the United States. Similar to other business traditions, there are cultural norms regarding business card presentation. For instance, if one is traveling to another country, a business card in the language of the other country is reasonable. When presenting the card, one must take care to provide the card with the native language of the recipient face up. In many Asian countries, presentation of a business card borders on a formal event. In Japan or China, individuals exchanging cards present a pristine card, holding it out with both hands in a presentation-like gesture. When receiving a card, accept it with both hands by gripping at the bottom of the card. In the exchange, bow and present yourself with your full name and title. In Western Europe, the custom is similar to the United States; business cards are exchanged informally and often deposited directly into one’s pocket. The business card exchange, like other chances to make a first impression, can be very important. Knowledge of the customs and culture of the individual that one is exchanging with can be critical to a successful first impression.

Nonverbal Communication & Body Language: When two people don’t share a fluent language, non-verbal communication can help overcome some of the challenges in understanding each other. On the other hand, it can also be a cause of misunderstanding. Start with facial expressions. People “read” facial expressions, seeking cues and affirmation of understanding. Nonverbal communication expert Ray Birdwhistell has documented upwards of 250,000 facial expressions as communication messages. Birdwhistell has said, “There are no universal gestures. As far as we know, there is no single facial expression, stance, or body position which conveys the same meaning in all societies.” However, it is commonly overlooked just how much cultural expressions impact how language is received. For instance, in the United States and much of Europe, it is common to make and maintain direct eye contact during conversations. In Asia, on the other hand, casting one’s eyes down and away from direct contact is considered a gesture of respect. Since miscommunication is easy in verbal expression, one should take the precaution of knowing how to communicate non-verbally in a specific culture to break down those significant obstacles.

Approach to Business Relationships

Following the initial meeting and exchange of greetings and perfunctory business interactions, business needs to be conducted. There are significant differences between cultures in how business activities like meetings, discussions, and negotiations are carried on. In Japan and other Asian countries, the relationship is very important. It is critical for individuals looking to conduct business in Japan to develop relationships with their counterparts. The culture calls for business relationships that are long lasting and very loyal. It is common for individuals to have a relationship for many years prior to actually conducting business together.

Quick Example - Efficiency

How it's Done in Germany: Efficiency and timeliness are very important

How it's Done Latin Countries: A more relaxed approach

In Germany, the approach to business relationships is very managed and planned. It is critical that individuals seeking to do business with German counterparts take the time to prepare for any meeting, whether that's a short interpersonal exchange or a formal business presentation. That is not to say that German culture does not allow or foster relationships. It does, however, instruct the maintenance a strong separation of business and personal matters.

Many cultures differ in the way they wish to communicate in a business relationship. In the United States, business issues or topics are exchanged through e-mail or even mobile phone texting. In Germany there is a formal approach to e-mail. Personal greetings and comments are not part of their e-mail culture. In Latin countries it is considered rude to not include a greeting and several personal comments in the body of the e-mail.

Quick Example - Emails

How it's Done in the U.S.: Emails are a means for conducting conversations

How it's Done in Mexico: An email is not a call to action; expect a follow up call to discuss

How it's Done in Germany: An email can be considered a contract

The most egregious error that western e-mailers make is directing a request for something to be done far too early in the e-mail. While it is important to write a concise e-mail using a tone proper for the occasion, there is a fine line between getting to the point and being considered rude and aggressive. One should always take the time to assess the culture of the recipient prior to crafting and sending e-mail messages. The lack of a simple read through of written correspondence can damage respect and even entire businesses relationships.

Conclusion

Doing businesses internationally can be lucrative. Failing to recognize – and respect – the cultural differences in a foreign locale can cost you the opportunity. Take time to put yourself in the shoes of your foreign business counterpart. Are you making them feel comfortable and easy to do business with you or your company? If the answer is “no” or “I am not sure,” then now is the time to learn about the culture and gain the necessary insights. Culture matters. In fact, *it could make all the difference in the world.*

For more information and guidance on doing business internationally, contact us.

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