

Intercultural Conflicts of International Marketing Activities - From the Perspective of Chinese Companies

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Abstract

Diverse consumption behaviors and customs of people living in different cultures exert great influence on the marketing activities, especially for international marketing. Therefore, cultural factors play an important role in the companies' international marketing activities, and companies should have sharp cultural awareness and attach importance to cultural factors when they do business internationally. With China's accession into WTO, more and more Chinese companies will go global, and conduct the international marketing. Those Chinese companies will inevitably face cultural conflicts. This thesis intends to study the cultural conflicts that Chinese companies face in their marketing activities abroad, and puts forward some constructive opinions on how to understand and deal with intercultural marketing problems; also, it generalizes some countermeasures.

Keywords: Intercultural conflicts, Cultural differences, International marketing activities, Intercultural marketing

1. Introduction

Everyone is a prisoner of his own culture. People living in the same cultural circumstances will certainly have some similar behaviors in their ideology or materiality. Such conformity will result in the same attitudes towards communicating ways between people. But these attitudes are abstract, not concrete. For example, sometimes people would say they like this or they prefer to do that but they just cannot tell why. It is the culture which influences their mind and restricts them to live in a certain way. Few humans are consciously aware of their own culture. This is analogous to a fish in water. The fish is at home in, and comfortably unconscious of its environment, the water. The last thing a fish would discover would be water. It becomes uncomfortable and aware of its environment only when it is out of the water and exposed to air. Similarly, mankind, throughout most of history, has been only vaguely conscious of the existence of culture and has owed this lack of consciousness to contrasts between his tribe's own customs and those from another tribe with which he happens to be in contact. Thus, problems would arise when people from different cultures work and live together. For example, American people will think it is a good idea to give an exquisite clock to their elder relatives, but to Chinese people, it is offensive because the Chinese believe that giving somebody clock will bring the recipient bad luck. A clock is an inappropriate gift because it reminds the recipient that time is running out. "To give a clock as a gift is equivalent to saying, 'I wish you were dead!'" (Dale, G.; Leathers, 42). The best way to avoid such embarrassment is to follow the old Chinese saying "when in Roman, do what the Romans do."

Definitions of marketing abound. The most simple and commonly accepted definition for marketing is one that "seeks to fulfill wants and needs of one's customers." Marketing is similar to any other activities happening in human's society; it is the contacts and communications between people. Problems would arise when people from different cultures communicate with each other; there is no exception for marketing. Marketing in the simplest form attempts to understand customers in terms of what they buy, when they buy, why they buy, how much they buy, and where they buy it. The relationship with culture comes into play with the realization that each of the descriptors noted above varies from culture to culture. For example, we Chinese find it peculiar that people from Western countries buy packaged, processed dog food and keep dogs as pets, while they find it peculiar that we Chinese believe a dog is a delicacy to be savored at dinner.

2. Cultural Impacts on International Marketing

Understanding the cultural differences among countries and peoples is extremely important for a company to develop its marketing strategy abroad. Although the aim of business may be the same everywhere, the way to do business varies considerably across countries. The advent of global markets and global companies has to some extent reduced the disparities among countries. "Culture shock" is a potent threat to the international marketers. Cultural differences affect the applicability of the experienced marketer's professional skills directly. In a new surrounding the great marketer is no longer necessarily a successful marketer, perhaps not even a good one. The experienced marketer will often have a frustrating time getting back to the basic fundamentals of the marketing effort. When Pepsi Cola entered Japan many years ago, they selected a young executive who had been very successful in the U.S. marketplace. His age and impetuous nature, key ingredients in his American success, set back Pepsi's introduction severely. While Coca Cola gained market leadership with the help of Japanese leaders, Pepsi still has to recover from the initial mistake (Nicholas, F., Alan, L., & Ross, Sparks, 23). This story tells us situations can differ so drastically that experience is a misleading guide. Or, the experienced marketer, who has learned the importance of tracking sales, may be lost in a foreign culture, resulting in disaster for the marketing effort.

Cultural incompetence can easily jeopardize millions of dollars through wasted negotiations, lost purchases, sales, and contracts, and poor customer relations. Furthermore, the internal efficiency of a multinational corporation may be weakened if managers and workers are not "on the same wavelength." Cultural risk is just as real as political risk in the international business arena.

Generally speaking, cultural impacts on business communication and marketing are usually reflected in the following three areas, that is silent language, values and attitudes, manners and customs.

2.1 Silent language

Silent language refers to the hidden language of foreign cultures. People always form a certain kind of behaviors or habits because of the cultural influences. So it is very important to keep appropriate postures and use appropriate gestures while communicating with people from other cultures, especially in the business communication. Five key topics-time, space, material possessions, friendship patterns and business agreement-offer a starting point from which marketers can begin to acquire the understanding necessary to do business in foreign countries. All of the factors have some meaning in interpersonal communication, but are not necessarily spoken of. For example, one's conception of space relates to matters such as the distance between two people conversing. In the Middle East men will maintain an intimate distance, often too close for comfort for western people. Material possessions of course always speak volumes about one's status in life, particularly where social hierarchies are well developed so that people learn what to look for. The emphasis on well-known brand in Asian markets, for example, reflects a need to clearly identify one's position with signals other people understand.

Friendship patterns, that is, whom you treat as a friend, are not only reflective of your own cultural upbringing but also involve questions of trust and responsibility. In a business deal, it would not be strange for an American to assume a prospective partner that a third person "will agree because he is my friend." By contrast, in a country like Japan, the person might well say, "I cannot speak for him because he is my friend." Agreements across cultures are also interpreted differently. While western business people rely on explicit contracts, and keep the letter of the law, eastern cultures rely more on general agreement and the basic intent of the partners.

Perceptions of time vary considerably between even relatively close cultures, and studies have documented the varieties of problems connected with different time perceptions. Latin Americans' perception of their being "on time" even when 30 minutes late for an appointment is counterbalanced by east Asians who think it safest to show up 30 minutes early, just to be on time. While North Americans might not like to "waste" time on "small talk" in a business meeting, Latin's tend to spend more time on non-business conversation (Paul A. Herbig, 21).

2.2 Values and attitudes

Values are shared beliefs or group norms that have been internalized by individuals. Attitudes are evaluations of alternatives based on these values. Values and attitudes will have impacts on people's choices of products and services. They affect people's consuming habits and their preferences to the different products. Foreign company, which wants to promote its products in a new market, must pay attention to values and attitudes of local people. For instance, Attitudes toward change are basically positive in industrialized countries. Whereas in more traditional-bound societies, change is viewed with great suspicion-especially when it comes from a foreign entity. So according to the different situations, company should adjust its marketing strategies to satisfy the

characteristics of the market. For example, before launching Colac laxative in Japan, Richardson-Vicks studied the psychological dimensions of constipation in Japan. The reticent Japanese are willing to discuss such delicate subjects once they realize they are members of a group with a common problem, but not with westerners present at the meeting. Research showed that Japanese were dissatisfied with slow-acting herbal medicines but wary that a Western laxative might be too strong. Thus Colac is presented as two little pink pills with natural qualities: "There things to consider for stubborn constipation---salad, beauty exercise, and Colac before bedtime." (Bonvillian, G., & Nowlin, W., 46).

2.3 Manners and customs

Manners and customs constitute the life style of people. For a company, to break into a foreign market also means to understand and adopt the manners and customs of people in that market. In many cultures, certain basic customs must be observed by the international marketers. So if a company is planning to sell products in these societies, it must be careful of the uses or packages of the products to avoid unconscious offensiveness. Companies should show their respects to those local manners and customs, or there will be painful failures in the business operation. For example, Chinese restaurants are popular in western countries, but as well they have to adjust the taste of the dishes to attract foreign customers (usually Chinese dishes are too spicy and hot for foreigners). Also managers must be concerned with differences in the ways products are used. For instance, General Food's Tang is positioned as a breakfast drink in the United States; in France, where orange juice usually is not consumed at breakfast, Tang is positioned as refreshment (Hofstede, G, 13). The questions that the international manager must ask are: "what are we selling?" and "what benefits should manufacturers provide?" Package sizes and labels must be adapted in many countries to suit the needs of the particular culture. In Mexico, China, Thailand and many Asian countries, for example, Coca Cola sells its products in cans and bottles large enough to serve four or five because families there are generally large. In Britain, America and many Western countries, where families are usually small and consumers are more accustomed to ready-to-serve drinks, we can seldom see so large package size as we commonly find in China.

3. Cultural Barriers to Chinese Companies' Marketing Activities Abroad

China's entry into WTO has provided Chinese companies with both opportunities and challenges. How to recognize these challenges and transfer them to be inner advantages of the company becomes the first-place work that those managers have to do. When Chinese companies take part in the international competition with foreign companies or carry out business abroad, the most difficult problem they will encounter is how to solve cultural differences. Cultural differences exist in every field of marketing, such as products, advertising, and promotion. Even a small ignorance of the culture effects will cause business losses or disasters. Hereby, Chinese companies' concentrations on culture differences will be helpful to their marketing activities abroad.

However, foreign companies, especially those multi-national companies have made thorough study of cultural elements in the international business. Compared with them, Chinese companies are dropping behind. The research on cultural differences and its impacts on international business is systemic work. Also, it is a painstaking job to find proper methods to solve those problems. But Chinese companies have entered the international market and have no choice to compete with those multi-national companies. Therefore, it is unpractical for Chinese companies to do the same things step by step. We have no time to teach every staff of those companies how exactly cultural differences influence our marketing process. The urgent job we should do now is to generalize some cultural barriers which Chinese companies will meet frequently and explain those cultural barriers clearly and simply. In this way can Chinese companies utmost reduce the loss or even disaster caused by cultural differences when they are conducting the marketing activities abroad. Because of the cultural differences, Chinese companies will be confronted with the following three kinds of culture barriers.

3.1 Language thinking barriers

Unlike companies in other countries, great majority of staff from Chinese companies can only use their mother tongue, which means most of them have a thinking pattern based on their own culture. It ultimately will cause problem since those staff have no idea on a different thinking pattern based on a different culture.

Language shapes our worldview, dictating our perception of the universe, people of different languages will undoubtedly think differently, so the potential for misunderstanding intercultural interaction is great. Even the way in which information is approached and processed can differ greatly between various cultures. For example, an English speaker feels responsible for transmitting the meaning of a message, but a Chinese speaker is more likely to expect the receiver to discover the meaning in a message that uses indirectness and metaphor. Further, an English speaker often places sentences in a chronological sequence to establish a cause-and effect pattern. However, a Chinese speaker often begins by creating a context with generalizations that forms a web to receive

and support a given topic. Language difference can trip the business up even when a U.S. executive doing business in an English-speaking country. A U.S. paper products manufacturer learned this the hard way while trying to crack the English market for paper napkins by using its usual advertising slogan: "There is no finer paper napkin for the dinner table." Unfortunately for the English people, napkin is the British term for diaper. (Adrian, J. Slywotzky & Drzik, J., 81). Also likely are misunderstandings involving vocabulary, pronunciation, or usage when business peoples come from different language environments deal with things together.

3.2 Written communication barriers

Because so many international business letters are written in English, U.S. firms do not always worry about translating their correspondence. Moreover, regardless of where they are located, some multinational companies ask all their employees to use English for internal memos to colleagues in other countries, even though the corporation is based in China. Under such circumstance, Chinese staff in this company will find it difficult to translate his idea clearly from Chinese to English. Besides there will be a lot of documents that needed to be translated into various kinds of languages. However, when documents are translated literally, communication can break down.

When Coca-Cola first entered China, the symbols for Coke translated as "bite the wax tadpole." After much research, another variation with approximately the same sound was found, one that meant "may the mouth rejoice." (Gordon, A. Wyner., 9). From the above example we can see how skillful those multi-national companies solving such written communication problems. But it is a pity to see even till now lots of Chinese companies still don't pay enough attention to this barrier. Staffs are often careless about the wording of the documents they will send to their cooperator, regardless of some improper or even insulting words they used.

3.3 Oral communication barriers

Oral communication usually presents more problems than written communication, such as in the pronunciation of vowels, in the use of voices and tones, and the use of idiomatic expressions. Pronunciation can present a big problem in oral communication, even if the other person speaks the same language. You may have a hard time understanding the pronunciation. As Chinese people, we just have the opportunity to communicate with people from other countries freely since the adoption of opening-up policy. Therefore, it is impossible to let great percentage people learn a foreign language and use it fluently; also it is too short for us to familiar with so many varieties of the same language. For example, English, as the international language used not only by its native speakers but also by so many nonnative speakers all over the world, has many varieties. We may distinguish the American English from British English, but besides those two countries, when we communicate with people from other English speaking countries, such as Ireland, Australia, you will find the so-called English they are speaking is so strange. Their pronunciation is different from the Standard English and so is their usage of English. Furthermore, we will encounter even serious problems if we communicate with people in English, and those people are nonnative English speakers.

Also, people use their voices and tones in different ways, which can lead listeners to misunderstand their intentions. Russian speakers, for example, speak in flat, level tones in their native tongue. When they speak English, they maintain this pattern, and non-Russian listeners may assume that the speakers are bored or rude. Middle Easterners tend to speak more loudly than Westerners and may therefore mistakenly be considered more emotional. On the other hand, the Japanese are soft-spoken, a characteristic that implies politeness or humility to western listeners. Idiomatic expressions are another source of confusion. For instance, suppose you are dining with a German woman who speaks English quite well. You inquire, "More bread?" she says, "thank you," so you will pass the bread. But she will look confused. Because in German thank you (danke) can also be used as a polite refusal. If the woman had wanted more bread, she would have used the word please (bitte in German). Marketing activities needs correct oral communications between staff and managers as well as consumers and companies. Business losses often occur because of unclear or indistinct communications happened in the marketing process abroad. Knowing how to solve this kind of problem has great meaning for Chinese companies.

4. Solutions

4.1 The introduce of intercultural marketing

The above three kinds of barriers will certainly make Chinese companies think more about the culture elements in their marketing activities abroad. There are many marketing methods and theories existing in the business world, such as product marketing, producing marketing, social marketing, and biological marketing. However, all these theories are all concentrating on a specific area and stand for a different phase of the development of

marketing process. Now we have entered an era when the integrations of world economics is the common trend. Culture awareness becomes a key factor. Culture collisions become highlighted. On the one side, many marketers didn't realize the importance of culture elements. They see culture as an ideology phenomenon but not economic one. So they always forget the efficient use of culture means in the marketing process. On the other side, people are getting more culture-minded in this integrating world, and consumers has began to pay more attention to the culture coat of the products that they are consuming or will consume. How to bridge the gap between consumers and manufactures to achieve the biggest marketing potential has caused a great concern among market managers of Chinese companies. Intercultural marketing has been developed to solve the situation.

Intercultural marketing is defined as the strategic process of marketing among consumers whose culture differs from that of the marketer's own culture at least in one of the fundamental cultural aspects, such as language, religion, social norms and values, education, and the living style (Paul, A. Herbig, 30). Intercultural marketing demands marketers to be aware of and sensitive to the cultural differences; to respect the right to culture by the consumers in various cultures and marketplaces, marketers should understand that they deserved the right to their cultures. If the marketers want to be the winners in the intercultural marketing they must create the marketing mix that meets the consumer's values on a right to their culture.

Intercultural marketing combines culture and marketing together and concentrate on the maximum use of cultural elements in the marketing activities aiming to help consumers understand a certain culture so as to enable them to develop a sense of belonging in the consuming world. Thus they would identify the products and are more likely to buy the products. The traditional ways of marketing which are full of exaggerations and flirtations have obviously been out of date. Consumers would be more likely to choose products that comply with their culture but not the alien ones; even the latter is more competitive in its quality and price. Thus a successful international marketer should be fully aware of cultural elements.

4.2 The example of intercultural marketing application in companies' business operation

Take the Chinese culture as an example, for Western marketers to be successful it is important for them to respect the Chinese government's claim for *guoqing*, which means, "to consider the special situation or character of China". The western marketers should understand that the Chinese and the Chinese government deserved the right to claim the *guoqing* be respected. It was reported that the Japanese made color TV sets dominated the imported TV sets market in China during the period of later 1980s to the 1990s. In the early 1980s, many foreign TV sets manufacturers, primarily Japanese and Europeans, made comprehensive studies of Chinese market. After their initial research the European marketers decided not to market their products in China. They concluded that given the low GDP per capita in China at the time when they probed the Chinese market it was unlikely that the Chinese people were willing to buy the luxury like color TV sets. However, the Japanese TV sets marketers, after a long careful observation, found out that the Chinese people had a cultural tradition by handing down savings from generation to generation. They also found out that the Chinese tend to save money for future consumption, which differs from the western culture of spending future money for the present consumption. Moreover, they realized that although there were Chinese domestic color TV sets makers the Chinese consumers were more confident about imported products. Accordingly, the Japanese marketers concluded that the Chinese families were able to mobilize their financial resources to purchase color TV sets with high quality made by Japanese. As they anticipated, almost every family in China had been accumulating their monthly wages for 2-3 years to make their dream of getting a TV set come true. As a result the Japanese color TV sets marketers had made their great profits in the Chinese market due to their sound understanding of the Chinese cultures, in other words, those Japanese companies fully understand the *guoqing* of China during that time—if we took account of the average salary of most people in China at that time, they were poor according to western countries' criteria, but they could afford to buy a TV set since they had savings. So it is easy to understand why the European competitors lost their opportunities for their lack of understanding of the Chinese cultures. (Yan, R., 66-67). Such examples could be endless; for instance, to be successful on the Persian Gulf most American franchisers have to make some adaptability and flexibility in their operations and policy because of cultural sensitivity.

4.3 Three major rules for Chinese companies to succeed in intercultural marketing

In summary, three major rules would start those Chinese companies on the route to success in intercultural marketing:

Recognize that a foreign customer is different—in perceptions, motivation, beliefs, and outlook. Identify, understand, accept, and respect the other's culture. Be prepared to communicate and operate on two separate and different cultural wavelengths. Don't assume sameness. One should not fall into the Self-Reference Criterion

fallacy and assume that anything that is acceptable in one's own culture is necessarily acceptable in all other cultures. Familiar behaviors may have different meanings. One must adjust the pace of business to that of the people with whom one is trying to do business. One must treat everybody with whom one deals with the greatest personal respect. What one thinks of as normal or human behavior may only be cultural. Do not assume that what you meant is what was understood; do not assume that what you understood is what was meant.

Be culturally neutral. Being different does not denote being better or inferior. Do not cast judgment on the other party's cultural mores any more than you would want them to judge your values. It may be true that from a moral point of view, some foreign customs may appear senseless, capricious, or even cruel and insane to you. But remember you are visiting the country as a businessman, not as a missionary. You plan to do business there, not to convert the natives to your own customs and practices. Recognize that they probably feel the same way about your culture as you do theirs. It may not be necessary to adopt their values as part of your own personal value system. All that is necessary is that you accept and respect their norms as part of their culture. Market to their culture and their mores and norms as you would want them to market to your own sensitivities.

Be sensitive to their cultural norms, do's, and taboos. Try to understand what they are and how your behavior may affect them even if it causes you discomfort or emotional stress. Most people do behave rationally; you just have to discover the rationale. You do not have to like or accept different behavior, but you should try to understand where it comes from in order to make peace with that behavior, or at least not react so strongly to it. It is necessary to accept, and to proceed with the business without showing distress if one wishes to come home with an agreement that is beneficial to both parties and marks the start of a long-term, healthy relationship between two companies from two cultures. One way to bridge cultural differences is to demonstrate interest in, knowledge of, respect for, and appreciation of the other side's culture. Failure to do so can easily be interpreted as an act of cultural superiority and arrogance, a statement that the other side's culture is not significant or important. Questions about culture framed in an uncritical way show that you find the other side's culture to be interesting, important, and worth learning about. Therefore, international marketers should try to learn as much as possible about the other side's culture. Marketers should be tolerant and respectful of cultural differences. Once differences are understood, marketers should seek ways of accommodating them. Some islands of cultural commonality should be found and enjoyed together.

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