Client organization: Antong Electronic Co., Ltd

Sino-US Business Cultural Differences and Comparison

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Executive Summary

The research project concerning to intercultural business communication between China and America was designed for Antong Electronic Co., Ltd that is a foreign trade Chinese corporation and specialized in producing integration fireplace. The aim of the organization is to focus on innovation and contributing low carbon economy environment. As their foreign business with American customers is increasing, the client has realized the importance of establishing and maintaining long-term business relationship with their customers. However, the client and employees in marketing department do not have specific strategies or rich experiences in contacting with American customers; and they do not really understand American business culture. Therefore, Antong assigned this research project to provide the client with the general overview of American business culture context and together with the advice and guidance regarding to the key factors of doing business with American customers.

This design-oriented research was conducted through both primary and secondary research methodologies, including in-depth interviews, literature review, books and Internet online data. Through the research it became clear that there are significant cultural differences between China and America, it is necessary for Chinese enterprisers to understand American business culture in order to do long-term business with American people. Moreover, the main differences between these two cultures that have been compared are:

- High power distance in Chinese culture VS low power distance in American culture
- Collectivism in Chinese culture VS individualism in American culture
- High-context in Chinese culture VS low-context in American culture
- Strong relationship-oriented in Chinese culture VS task-oriented in American culture
- Indirectness in Chinese culture VS directness in American culture
- Holism-oriented in Chinese culture VS detail-oriented in American culture
- Mobile phone oriented in Chinese culture VS email oriented in American culture
- Keeping harmony in Chinese culture VS saying “no” in American culture
- Long-term orientation in Chinese culture VS short-term orientation in American culture

These cultural aspects lead to the different ways of doing business in China and America, the misunderstandings might happen without being aware of these cultural differences.

In this research, the culture norms in both China and America have been given at first according to the cultural dimensions from Hofstede and Hall, in order to show client a general overview of culture differences between own country and customers’ country. Besides, the analysis of business culture differences in the fields of business etiquette, business reception and business negotiation between these two countries were stated and compared. Finally, the important component of the suggestion is to show the client the key factors regarding to how to build effective business connections and how to do business with American customers. All the relevant content can be found in research results of this thesis.
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1. Project context

As John and Zhixin (2008) state, Culture is a universal social phenomenon, which is closely related to human activities (John and Zhixin, 2008, p. 5). In a broad sense, culture is the sum of the common life of man. Confucius, who is considered as the greatest of the ancient Chinese sage, indicated that it is necessary to understand humanity in order to deal with important matter of the world. Moreover, culture is a silent barrier that obstructs among various ethnic groups and countries. In commercial contact, the conflicts of different cultural concepts directly affect the smooth development of international trade. As a result, people would get better understanding regarding the culture of a different country from comparing cultural differences between oriental and occidental cultures.

The client for whom the research was executed is Antong Electronic Co., Ltd, a limited foreign trade Chinese enterprise that is specialized in producing integration fireplace and exporting their products to America mainly. According to the intake meeting with client, Antong is inexperienced when contacting with their American customers, because they do not really understand American business culture, including the fields of business etiquette, business reception and business negotiation. They have been always dealing with Americans through Chinese ways and ignoring culture of their customers, including using Chinese ways to host them for dinner and to negotiate business with them. Besides, the client believes that some contradictions and misunderstandings happened due to the culture conflicts and culture differences between China and America. Nowadays, Antong would like to build and keep long-term business relationship with their American customers; however, they do not have specific strategies.

Therefore, the focus of this research is on intercultural business communication between China and America by providing the client with a handbook of the general overview of American business culture in the fields of business etiquette, business reception and business negotiation and giving advice concerning to establish and maintain long-term business relationship with customers from America; and the description of Chinese culture will be
also stated in the thesis to show the comparison between these two different cultures. Moreover, the handbook regarding to the introduction of American business culture would give help and guidance to Antong in building and maintaining long-term business relationship with American customers, as the client showed a great interest in it and realized that the starting point for building success business contact is to understand their culture. The research was executed through literature review and semi-structured interview with American stakeholder to collect primary and secondary data.

In the following sections, this thesis is going to explain the theoretical framework, research framework, methodology, results and analysis of data. Initially, the main fields of this research will be discussed. Besides, in order to demonstrate the reasoning, a research framework and a conceptual model are built and used for illustration. Moreover, the research questions are designed to ensure research objective is achieved. Furthermore, the research methods with specific means of data collection are outlined in order to answer research questions. Additionally, in the result findings section, an overview of both Chinese and American cultural norms will be introduced at first because the client needs to understand clearly about own culture and then to have a look at a different culture; after that, a description about American business together with Chinese business culture as well as the key factors when doing business with American will be given.

2. Organizational context

Antong Electronic Co., Ltd is located in Yiwu, China where has the largest commodity market in the world. Yiwu Business Newspaper (2013) states the resident foreigners in Yiwu over 10,000 by the end of 2012 and every year there are more than 400,000 foreigners come here to purchase goods and import to their countries. Currently, the majority of orders Antong receive from American customers and some from Russian customers. Based on large number of foreign customers in this market, the client believes that Yiwu is a unique place to do foreign trade business and stated that they plan to continue doing business with customers from Unite States. However, so far there is no certain strategy for Antong to build
good relationship with American customers. According to intake meeting with client, the employees in marketing department have some difficulties in doing this because they have neither rich experience in communicating and dealing with customers from western countries nor never have they been trained in understanding business culture in America. As a result, an overview of American business culture and advice of how to do business with American customers are essential for the client organization to build and maintain business relationship with Americans.

3. Theoretical framework

The relevant research field has already been drawn through preliminary research of the intake meeting with client. In the following, the relevant research scopes and objective are illustrated, and the summaries of cultural theories and concepts taken from literature are described that are used in exploring culture context in America and China.

3.1 the conceptual framework

According to the intervention cycle that stated by Verschuren and Doorewarrrd (2010), the design-oriented research refers to design relevant measurements and implementations to change current situation of the organization and solve organizational problem. This research is design-oriented research, the handbook for Antong is designed with the aim to give the general knowledge about American business culture, the comparison of cultural differences between China and American and advice concerning to build and maintain business relationship with American customers, which are the related measurements and implementations to solve organizational problem.

**Research objective:** the objective of the research is to provide the client and employees of marketing department with a professional handbook that includes the general overview of business cultures in China and America in the fields of business etiquette, business reception and business negotiation and advice on how to establish and maintain business relationship with American customers by analyzing and presenting characteristics and differences
between these two cultures through conducting interview and referring various cultural theories to create the handbook.

**Central question**: how can Antong establish and maintain successful and long-term business relationship with American customers?

The conceptual framework of intercultural business communication between China and America briefly indicates the research areas and scopes such as culture norms, business cultural characteristics and differences in both countries and advice and key factors regarding to how to do business with American customers; and finally the handbook of business culture in America and guidance of doing business with American customers can be completed.

- Cultural norms in China and America
- Cultural differences between China and America
- Business culture norms in China and America
- Business cultural differences between China and America
- Key factors (advice) in doing business with American
- Culture differences between America and China and Key factors for Antong when establishing and maintaining business relationships with American customers
3.2 literature review

The following theories are selected and referred from the fields of Chinese and American culture and intercultural business communication, in order to answer research questions.

Zhixin Guo and John Asher (2008) discuss the main business culture differences between China and America in their book named Best Practices for Doing Business with Westerners. Zhixin is praised as the No. 1 Chinese people in the field of Foreign Direct Investment who organized more than 300 European and American CEO to come to China with the purposes of investigating as well as investing in China. Besides, he used to live in America for several years and knows both American and Chinese cultures. Zhixin, together with John, who is the executive board of USCBS and has general understanding about Chinese culture, deeply analyzed both business culture characteristics in these two countries, including the scopes of business etiquette, business entertainment, business negotiation, business environment, international marketing and business cooperation. Moreover, the suggestions regarding to the best methods for Chinese enterprisers doing business with Americans are given. For instance, they suggest that Chinese businessmen pay special attention to the eating habit of American customers when inviting them for dinner together; moreover, Chinese enterprisers are also suggested to communicate with American customers though sending emails rather than sending phone messages.

In this book, Zhixin Guo and John Asher (2008) point out that the main misunderstandings and contradictions during business activities between China and America are caused by less understanding about both cultures of the two sides. Therefore, the aim of the book is to provide business people with clear overview of culture differences between western countries and China in order to improve business activities in international context. Zhixin represents Chinese side and John represents American side, both authors give their opinions regarding to business cultures in two countries based on their experiences and knowledge.
Geert Hofstede is a researcher in the field of intercultural studying, who investigated and analyzed huge data regarding to different cultures, attitudes, values and behaviours in more than 70 countries between 1967 and 1973 and developed a specific system to compare culture differences among these countries (Hofstede, 2001). His cultural theory includes five dimensions, namely power distance (social hierarchy), masculinity/femininity (task orientation versus person orientation), individualism, and uncertainty avoidance. In addition to that, long-term orientation was added later as the fifth dimension by Hofstede.

According to the Hofstede Centre (2013), as all individuals in societies are unequal, thus powder distance (PDI) is defined as “the extent to which the less powerful members in the organizations within a country accept that power is distributed unequally”; individualism (IDV) means “the degree of interdependence a society maintains among its members”, which refers to people focusing on “I” or “we”; uncertainty avoidance (UAI) shows whether people control the unknowns in the future, which refers to “the extent of the members of a culture feel threatened by unknown situation and try to avoid it”; Masculinity/Femininity (MAS) is described as people focusing on achieving the best results or just “liking what you do”; and long-term orientation (LTO) indicates the extent of future-oriented of a society.

Hall’s high and low context cultural dimensions indicate that cultures can be divided into high-context culture and low-context culture. People who come from high-context culture are known as indirect collectivistic; besides, keeping harmony and focusing on relationship building are highly valued. On the other hand, in low-context culture people are direct and individualistic, and relationship is less important compared with high-context culture. China is a country that belongs to high-context culture while American culture is low-context.

Relationship refers to personal connections and it is known as “guanxi” in China, which is the most important factor in Chinese culture. Robert and Gregory (2007) state in their book of Guanxi that the key success of doing business in China largely depends on the strong and formal relationship with others. Moreover, building successful relationship is difficult that needed a long time.
Richard (2005) discusses the importance and status of personal relationship in people’s life and business activities in China in his book of Cross-Cultural Business Behaviour. The author believes and concludes that in China relationship comes first, it seems probable that people might meet a lot difficulties in society without strong relationship with others. Moreover, relationship building needs to spend a long time that is established on the basis of trust. It is common that doing business in China people need to make friends and build relationship at first and then talk about business.

The article of the Effect of Dutch and German Culture on Negotiation Strategy indicates that the features of Chinese negotiation style by comparing with negotiation style of American businessmen. The research found out that Chinese businessmen are accustomed to discuss irrelevant things for some time at first and then come to the business, while American negotiators go to the key point directly. Additionally, building mutual trust is an important factor for Chinese negotiators.

An article named US Social and Business Culture by Jodie and Gorrill (2009) gives a general overview of American business culture. Initially, the authors introduce the basic information of America. Secondly, the key concepts and values in American culture are followed, including individualism, low-context culture and egalitarianism. In the final part of the article, the knowledge of American business culture is described. For instance, in business etiquette, American people are accustomed to use first names because they focus on equality. Besides, American people emphasize on punctuality and a good deal in business negotiation, but relationship building is not that as important as in some Asian cultures. In addition to business negotiation, friendship and business are separated; the business meeting begins and ends quickly with the aim to solve problem and sign contract.
4. Research strategy and methodology/design

4.1 Research framework

Verschuren and Doorewaard (2010) state that research framework is a visualized scheme that aims at illustrating every stage that needs to be taken to achieve research objective. The research framework below shows the relevant theories that will be used to explore data of American and Chinese business culture, and finally the handbook will be completed.

[Diagram showing the research framework with stages labeled as follows:
(a) Theory on Hofstede’s cultural dimensions
(b) Preliminary research (interviews)
(c) Theory on Hall’s cultural dimensions
(d) Theory on Intercultural business communication theories (American and Chinese cultures)
(e) Handbook: general overview of business culture in America and China and advice on how to deal with Americans
(f) Cultural differences for comparison
(g) American businesses
(h) Results of analysis
(i) Chinese businesses
(j) Results of analysis]
In this research framework, (a) stands for the related theories and literatures that are necessary during design-oriented research process and that are used in exploring research data of business cultures in China and America; (b) means empirical that describes and compares the business cultural differences between these two cultures; (c) states the analysis of each business culture that will conclude (d) the final handbook concerning to general overview of business culture in both America and China.

Besides, to link the TEA model into conceptual framework, the cultural norms and cultural differences in China and America and key factors in doing business with American customers in the conceptual framework stand for empirical that describes the research areas, and the suggestions for the client to establish and maintain long-term business relationship with Americans include the analysis of each culture in order to form the final handbook. Additionally, the conceptual framework shows the research areas and research framework illustrates the relevant theories that are used to explore research date based on research areas.

According to the intervention cycle that stated by Verschuren and Doorewar (2010), the phase of problem analysis and diagnosis have been identified. The client as well as the employees in marketing department is inexperienced in dealing with American customers and has little understanding about American culture, thus providing with an overview of American business culture and advice of how to do business with them is a potential solution to the organizational problem. Additionally, this research is design-oriented research, the handbook for Antong with the aim to give advice concerning to build and maintain business communication with American customers, in order to design relevant measurements and implementations to change current situation of Antong and solve organizational problem.

**Research objective:** the objective of the research is to provide the client and employees of marketing department with a professional handbook that includes the general overview of business cultures in China and America in the fields of business etiquette, business reception and business negotiation and advice on how to establish and maintain business relationship
with American customers by analyzing and presenting characteristics and differences between these two cultures through conducting interview and referring various cultural theories to create the handbook.

Based on defined research framework, research scopes, research stage and research objective, central question and the specific research strategy and methodology are designed.

On the basis of defined research framework and objective, central and sub research questions have been designed through TEA method. The relevant data that are used for designing final handbook can be gathered by answering all research questions.

**Central question**: how can Antong establish and maintain successful and long-term business relationship with American customers?

**T sub-question 1**: according to cultural theories, how can this handbook help the client to establish and maintain successful business relationship with American customers?
- According to Hofstede’s and Hall’s theories, what are culture norms in China and America respectively that need to be taken into consideration as characteristics for the handbook?
- What are the culture differences between China and America from comparing between these two countries?
- What are business cultural norms in American and China? Including in the fields of business etiquette, business reception and business negotiation?
- What are business culture differences between these two countries?
- What are the key factors when doing business with Americans?

**E sub-question 2**: what is the opinion of the client about this handbook?
- What do client and American stakeholder expect to see from this handbook?

**A sub-question 3**: what are the most obvious business cultural differences between these two cultures about the options on the handbook?
What are the most obvious differences between Chinese and American cultures?

4.2 Research strategies and methodologies

Looking at research methods, both primary and secondary research methods were used to answer all research questions. Sauders, Lewis and Thornhill (2007) state researcher can collect primary data through participant observation technique and interview, and use Internet research and theories from books and reports as the secondary research method (Saunders, Lewis and Thornhill, 2007, chapter 8, 9 & 10).

Moreover, the multiple methods were used. According to Sauders, Lewis and Thornhill (2007), multiple research methods are the combination of quantitative and qualitative techniques. The quantitative research method refers to any data collection and analysis technique, while the qualitative research method such as interview is used to collect and analyze in-depth information and data. The mixed research methods help to “offer a better opportunity to answer research questions and to evaluate the extent to which the research findings can be trusted” (Saunders, Lewis and Thornhill, 2007, p. 145-146). Therefore, the multiple research methods include interview, literature review, Internet research and books were used during the process of research.

Initially, to answer T sub-question 1, the selected theories and literatures from Hofstede and Hall were referred in order to answer research questions of culture context in China and America. Besides, other online theories and articles about intercultural business communication and culture norms in these two countries were also used.

Moreover, multiple research methods have been used as research strategy in order to explore data regarding to American business culture norm, including the fields of business etiquette, business reception and business negotiation. A book related to the business communication between America and China was selected as secondary research method as well as the main researcher methodology to collect information of business culture in America. Besides, The Internet can provide with plenty relevant information. Nowadays a
A lot of information on thesis and reports about intercultural business culture are available online and can be found through Google and Baidu which is the widest used Chinese search engine; thus this tool is included in research strategy as the quantitative and secondary research method. Additionally, the qualitative research method such as an interview with a Chinese businessman who knows American culture and has been living in America and managing business there for several years has been planed to gather primary and in-deep information about American business culture, including his expectation about this handbook and his experience and examples of business etiquette, business entertainment and negotiation style in business culture context in America.

For Chinese business culture, both primary and secondary research strategies were used such as interview and literature review. The Chinese businessman also provided useful information concerning to Chinese business culture during the in-depth interview. Besides, the book related to business communication between China and America and online data describe detailed data to introduce Chinese business culture.

Furthermore, the question of the key factors when dealing with American customers in sub question 1 will be put in the advice sector of the report.

To answer E sub-question 2, the interviews with the client and Chinese businessmen were held in order to see their expectations about this handbook. Finally, the A sub-question 3 of the business culture differences between China and America is going to be answered by comparing these two cultures and summarized in the conclusion of this thesis.

Additionally, the table below shows the main research areas and questions in this thesis and the relevant research methods of how to answer each research question.
<table>
<thead>
<tr>
<th>Research areas</th>
<th>Research questions</th>
<th>Related methods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture norms in China and America</td>
<td><strong>T sub-question 1:</strong> What are culture norms in China and America respectively that needs to be taken into consideration as characteristics for the handbook?</td>
<td>Literatures, books and internet</td>
</tr>
<tr>
<td>Business culture in America</td>
<td><strong>T sub-question 1:</strong> What are business cultural norms in America? Including in the fields of business etiquette, business reception and business negotiation?</td>
<td>Interview, books, internet</td>
</tr>
<tr>
<td>Business culture in China</td>
<td><strong>T sub-question 1:</strong> What are business cultural norms in China? Including in the fields of business etiquette, business reception and business negotiation?</td>
<td>Interview, books, and internet</td>
</tr>
<tr>
<td>Expectations about this handbook</td>
<td><strong>E sub-question 2:</strong> What do client and American stakeholder expect to see from this handbook?</td>
<td>Interviews</td>
</tr>
<tr>
<td>Cultural differences between China and America</td>
<td><strong>A sub-question 3:</strong> What are business culture differences between these two countries?</td>
<td>Interviews, book and internet</td>
</tr>
</tbody>
</table>
5. Research results

The research data were collected through defined research methodology such as in-depth interview, books and Internet research, in order to answer all the research questions to form the final handbook. The data of Chinese culture is placed firstly to give the client a clear understanding about own culture, and then the information of American culture norms is followed to show the client a general overview of cultures of their customers.

5.1 Sub-question 1: according to cultural theories, how can this handbook help the client to establish and maintain successful business relationship with American customers?

5.1.1 Culture norms in China and America respectively according to Hall's cultural theories

High-context and Low-context Culture Style (2013) wrote that culture could be divided into high and low context cultures based on different cultural backgrounds, communications and circumstances. According to Hall (1976), in a high context culture, it is relational, indirect and collectivist; the communication style tends to be more indirect and formal. Besides, people pay specific attention on keeping harmony during the groups and spending a long time to build interpersonal relationships with others. In a low context culture, relationship is less important compared with that in high context culture, which begins and ends quickly; and communication is more explicit and direct. Additionally, there are more Asian countries belong to high-context culture than European countries; Asian country like China has high-context culture while western countries such as America belongs to low-context cultures.

China belongs to high-context culture based on Hall’s theory, as interpersonal relationship, harmony and indirectness are the main focus. Initially, the relationship is of high importance for people doing everything in China. According to Robert and Gregory (2007), in China relationship comes first, which is the most significant factor to determine the success or failure of the matter, and people spend a lot of time in building and maintaining
personal connections with others (Robert and Gregory, 2007). Personal connection and developing trust are important first steps in business sector. Besides, Zhou (2010) pointed out that in China people obey authority and rules and usually try to avoid confrontation in public or in the company in order to keep harmony atmosphere (Zhou, 2010). In addition, Chinese people are indirect that reflects in indirect and inexplicit communication.

America is divided to the group of low context culture. According to Hall (1976), in a low context culture it is linear and individualistic; communication style takes place through verbal communication and the message content is explicitly and directly stated in the words. People who come from low-context cultures are known as very direct, they just say the first thing that comes into their mind straightforwardly. Besides, the criticism is not avoided or not regarded as an insult, but a sign to improve. This direct approach would cause comfortlessness by people who are from high-context cultures. As Gesteland (2005), a negotiator pointed out that directness and straightforwardness in low-context cultures is a sign of praise and honesty, and it is very common that people go to the key point directly during the business meeting. This is very different from people in high-context culture who are accustomed to communicate indirectly and consider straightforward communication style is a sign of offending to others.

5.1.2 Culture norms in China and America respectively according to Hofstede’s cultural theories

The Hofstede Centre (2013) illustrates and analyzed the results of various cultures of different countries based on Hofstede’s five main culture dimensions, including powder distance, individualism, masculinity/femininity, uncertainty avoidance and long-term orientation. The three charts below respective show and compare the differences between Chinese and American cultures according to culture dimensions of Hofstede’s theory.
Chart 1: general overview of Chinese culture based on Hofstede's culture dimensions

According to the result of Chinese culture from Hofstede’s theory (1980), it is clear that powder distance (PDI), masculinity/femininity (MAS) and long-term orientation (LTO) are the main characteristics in Chinese culture; while the scores of individualism (IDV) and uncertainty avoidance (UAI) dimensions are much lower.

Chinese culture is highly long-term oriented based on the influence of Confucianism. People pay specific attention on building long-term relationship with friends, colleagues, leaders and even potential people who will help us in the future; as the result analysis of Chinese culture states that personal relationship in China prevail over any other things. Moreover, in China the power distance is obvious between young and older people and also between employees and managers in the companies, in order to show respect to people who are elder and has higher authority. For instance, students are strictly not allowed to call their teachers’ names directly due to the large power distance between students and teachers. Furthermore, the result analysis of Chinese culture from Hofstede’s theory (1980) points out that China belongs to masculinity culture as 66 is a high score on MAS dimension. Masculinity culture
indicates competition; achievement and success are highly valued since primary school that continues and influences one’s whole life. Indeed, China is in accordance with masculinity culture because children were educated since childhood that it is important to success and to achieve high scores in each exam during the fierce competition. Additionally, as there is only 20 score in individualism China is a highly collectivism and group-oriented culture that people focus on “we” rather than “I”.

On the other hand, at 20 individualism dimension is irrelevant to Chinese culture; however in contrast, China is a country that collectivism is highly valued. The analysis result of Chinese culture states that people are supposed to focus on group and family rather than only themselves. Additionally, China has a low score of 30 on uncertainty avoidance dimension. People show flexible attitude towards ambiguity, as they believe that everything will be changed and “we will cross the bridge when we come to it”.

![Chart 2: general overview of American cultures based on Hofstede’s culture dimensions](image)

*Chart 2: general overview of American cultures based on Hofstede’s culture dimensions*

This chart indicates that individualism is highly valued in America with a score of 91. According to the test result of American culture from the Hofstede Centre (2013), Unite States is regarded as a loosely knit society that people pay attention to look after themselves.
And in the business world, it is very common that American people feel comfortable in doing business together with strangers and employees are independent and “expect to display initiative” within the companies.

Masculinity is the second culture characteristic in America that has 62 score. As the Hofstede Centre (2013) points out that individuals focus on “striving to be the best one” and “taking all authority as winner” both in school and society. In addition to that, people obtain higher social status according to their achievements and successful performance.

Moreover, power distance and uncertain avoidance dimensions in American culture are in the middle extent with the scores of 40 and 46 respectively. The result of Hofstede Centre (2013) states that Americans focus on equal rights among all aspects in the society and government. Besides, hierarchy is not that important within organizations as it is built for convenience. The information between managers and employees is exchanged frequently with informal and direct communication style. Moreover, as Jodie and Gorrill (2009) state in the article named US Social and Business Culture that American people emphasis on equality in society. In addition, American culture is described as “uncertainty accepting”, as people tend to be more tolerant and willing to accept new ideas, opinions and products to large extent. Freedom of expression and flexible rules are valued within culture of Unite States.

Finally, American is rather a short-term orientation culture as it obtains only 29 score on the long-term orientation dimension. At business sector in Unite States, as described through Hofstede Centre, people’s performance within the organizations is on the basis of short-term orientation; for instance, usually individuals go to the point directly and come up with results quickly and efficiently in the work place.
5.1.3 Culture differences between China and America

Below is a general overview of comparison between high and low context cultural characteristics that is quoted from Hall’s cultural factors. It can be seen from the chart that high-context culture is known as indirectness, relationship-oriented and collectivisms; while in low-context culture directness, task-oriented and individualism are the main factors.

<table>
<thead>
<tr>
<th>Factor</th>
<th>High-context culture</th>
<th>Low-context culture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overtness of message</td>
<td>• Many covert and implicit message</td>
<td>• Many overt and explicit message</td>
</tr>
<tr>
<td>Use of non-verbal communication</td>
<td>• More focus on nonverbal communication</td>
<td>• More focus on verbal communication</td>
</tr>
<tr>
<td>Cohesion and separation of groups</td>
<td>• Strong distinction between groups</td>
<td>• Flexible towards with group members</td>
</tr>
<tr>
<td></td>
<td>• Strong sense of family</td>
<td>• Changing as needed</td>
</tr>
<tr>
<td>Level of commitment to relationships</td>
<td>• Focus on long-term relationship</td>
<td>• Task is more important than relationship</td>
</tr>
<tr>
<td></td>
<td>• Relationship is more important than task</td>
<td></td>
</tr>
<tr>
<td>Flexibility of time</td>
<td>• Time is flexible</td>
<td>• Time is organized</td>
</tr>
<tr>
<td></td>
<td>• Process is more important than product</td>
<td>• Product is more important than process</td>
</tr>
</tbody>
</table>

*Chart 3: general overview of culture differences between high and low context cultures (source: Hall’s cultural factors)*
Chart 4: general overview of comparison of culture difference between China and America

This chart shows the general overview of comparison of culture difference between China and America according to Hofstede’s cultural theory. Chinese and American cultures show large differences in the extent of individualism and long-term orientation. Initially, America is a highly individualistic culture that people focus on themselves and accustomed to do business with strangers, however in Chinese culture people are more group-oriented and try their best to avoid in cooperating with strangers for business. On the other hand, long-term orientation is highly valued by Chinese that people need a long period of time to build and maintain connections with others, while Americans are rather short-term oriented as they pay attention to a make quick discussion and efficient result within the organizations.

Secondly, there is also a culture difference in dimension of powder distance between these two countries. The hierarchy is less important within society or organizations of Unite
States that people focus on equal rights in all aspects and direct communication styles exists between employees and superiors. On the contrary, Chinese people value power distance in large extent whatever in school, societies or organizations; people who have lower position within organization must call their superiors’ names with respectful titles.

Furthermore, the attitudes towards uncertain accepting are somewhat similar between China and Unite States. Chinese people are adjustable concerning to ambiguity, and Americans highly tend to be willing to accept new things. Additionally, both countries show masculinity in their cultures by close scores; for instance, for individuals the more success and achievements they get, the higher social status they can obtain from others.

5.1.4 Business cultural norms in China and America

In this sector, business cultural norms that include the fields of business etiquette, business reception and business negotiation in America and China will be stated and compared.

**Business etiquette**

- **Greeting/form of address**

Business etiquette is varied among different cultures and situations such as the styles of greeting and forms of address show different between China and America. John and Zhixin (2008) point out that Chinese enterprisers should pay attention on greeting when contacting with westerners, in order to say the first word appropriately and give a good impression to others (John and Zhixin, 2008, p. 15).

According to Zhixin (2008) and Ronhua, Chinese people usually ask others questions of “have you eaten meal” or “where are you going” as their greeting style, which is too personal to American people. Beside, due to high power distance in China, Chinese people are addressed by “surname plus position” or “surname plus kindred relationship” to show respect and politeness (John and Zhixin, 2008, p. 16). However, perhaps American people feel uncomfortable by greeted in this way.
Compare with Chinese greeting style, American style of greeting is much simpler; a word of “hi” or “hello” is enough. Besides, as John (2008) and Jodie and Gorrill (2009) write that personal privacy or personal space is respected and of significant for American people, they do not like to be asked or mentioned about privacy in greeting (Jodie and Gorrill, 2009, US Social and Business Culture). Moreover, John (2008) shared an example to indicate that Americans like people calling their names directly when greeting: Clinton was hesitant that he was called by his name plus position by a group of children during his visit in a school in Shanghai, after that he felt extremely excited when he heard a boy calling his name directly. This example shows large differences of forms of address exist in people's live based on various traditions and cultures in different countries (John and Zhixin, 2008, p. 17). In addition, Jodie and Gorrill (2009) also point out that punctuality is high valued in business etiquette of American culture, it is important to attend appointment on time (Jodie and Gorrill, 2009, US Social and Business Culture).

• Body posture

According to John and Zhixin (2008), the meanings of body languages are different among various cultures and nations, even if a same body language but represents diversely in different countries of the world. In doing an effective communication with people from other culture, people should understand the meanings of gesture and behaviour of other side. During the process of contacting with foreign customers, using appropriate body posture would add some points to the conversation (John and Zhixin, 2008, p. 19).

Ronhua indicated that Chinese people sometimes bow head when listening to others which is a sign of showing modesty; while in America, both sides should look at each other’s eyes during conversation in order to show their respect and confidence. According to Jodie and Gorrill (2009), keeping direct eye contact during business communication with American people is a sign of showing interest and sincerity (Jodie and Gorrill, 2009, US Social and Business Culture). Besides, John and Zhixin (2008) give an example that a professional Chinese businessman bows his head during the communication with an American businessman rather than looking at American people’s eyes. To Chinese people, it is a sign
of showing respect and modesty, however to American businessman it is a scandalous behavior (John and Zhixin, 2008, p. 21).

• **Dressing**

As Ronhua stated that some Chinese enterprisers do not pay much attention to dressing, they would rather spending plenty money and emphasize on purchasing luxury cars and houses to show their status than buying formal clothes. On the other hand, Americans focus on elegant dress and consider dressing should base on certain occasions and roles, in many cases business suit is one of the most formal clothes. John (2008) gives an example to show the importance of dressing in the international context. A Chinese enterpriser went to a formal occasion in America to give a presentation regarding to publicize his organization; however, American enterprisers were in doubt about the quality of this company due to the inappropriate dressing of the Chinese enterpriser. Therefore, American people care about dressing during the formal occasion. Additionally, John (2008) believes that the informal attire would make a bad impression by American people, which may influence the future contact with them, thus people should pay attention to dress appropriately when contacting with people from a different country to give good impression to each other (John and Zhixin, 2008, p. 23-25).

• **Mobile telephone culture**

Mobile phone culture is another obvious culture difference exists between China and America. Nowadays, mobile phone is a needful communication tool for Chinese people. However, it must be noted that, the status of mobile phone has large differences between these two countries.

It seems that every Chinese people have a mobile phone with individuating ring, color ring back tone and multiple functions such as making a phone call and sending messages, as Ronhua pointed out, majority people have strong dependency of using mobile phone to send out business message and make a deal. Besides, Chinese people like using
individuating ring to show they are different from others. According to Zhixin (2008), as a high-context culture, Chinese people are indirect and implicit; therefore they prefer expressing their opinions through typing and sending mobile phone messages to others (John and Zhixin, 2008, p. 31).

Ronhua gave his opinion concerning to how American people use mobile phone according to his experience and observation of working in American. Mobile phone is only used for making a phone call; American people are fond of talking to each other and tend to exchange messages through making phone call directly rather than sending messages via phone. Besides, Ronhua and John (2008) both believe that to many American people, they feel uncomfortable about the strange and individuating phone ring that are popular in China. According to an example stated by Ronhua, he took an American businessman to a Chinese company to negotiate a deal; during the meeting the American man was unpleasant and scared at the loud and strange phone ring from the Chinese enterpriser’s mobile phone twice, which influenced their negotiation.

In addition, email occupies most of time of American people. As John (2008) mentioned, a survey found out that 59% American people check emails on the bed, 37% Americans check emails in the cars and for 43% people the first thing they do every morning after getting up is to check emails (John and Zhixin, 2008, p. 33). Besides, as stated in Understand US Business Culture (2013), email is the main communication tool in America. As a result, American people are accustomed to communicate through emails rather than mobile phone messages; Chinese people are just the opposite, which means they prefer negotiating business through mobile phone.

**Business reception**

- Dinner party

In China, people regard food as their primary want. It is common that the foreign honored guests or customers are always feted by Chinese enterprisers, which is the way of Chinese
people indicating their reception. The client pointed out that Antong takes much count of inviting their American customers for dinner in order to show the kindness, but the client does not think that American customers really appreciate it. To Chinese people, hospitality is natural and normal; however, foreign guests may have different opinion.

Ronhua believed that Chinese culture values making friends and relationship before making a deal, and the uppermost way of making friends is to have a big dinner that includes as many delicious and costly dishes as possible despite the food cannot be ate up. A lot of Chinese enterprisers, so does the client, invite foreign customers for dinner with more than 10 dishes in order to show profound Chinese food culture and strong organizational strength, thereby ignoring the eating habit of the guests and producing exactly the opposite results. Jodie and Gorrill (2009) points out that in America relationship building is not as important as in Asian countries, but people focus on making the best deal directly; thus it is unnecessary to spend too much time to invite American guests for dinner and build relationship (Jodie and Gorrill, 2009, US Social and Business Culture). Besides, Zhixin (2008) indicates that Chinese people pay more attention on ostentation during the invitation, which makes an extravagant and negative impression on American customers because they consider waste food to be impolite (John and Zhixin, 2008, p. 41).

In America, as stated by Ronhua, American people might feel uncomfortable about being invited by Chinese enterprisers to have such big dinner, in the contrary simple and fast food is more suitable for them. Besides, Zhixin (2008) wrote that American businessmen prefer eating working meal in the company since they give first priority for their business rather than eating when they come to China (John and Zhixin, 2008, p. 42). As Ronhua gave an example that “I used to take some American businessmen to visit factories to China, more than once I have been asked by them where they can find Pizza Hut or McDonald’s after being invited a hearty dinner with traditional Chinese food by a Chinese enterpriser. Chinese food is the most delicious food for us; but to American people, western food is the dinner.” The other example showed from tigtag.com (2013) that a foreign businessman came to China for negotiating a project and was invited by a mayor in China with a
sumptuous meal; the dishes were served in rapid sequence. Finally, the foreign businessman felt difficult to accept such enthusiasm by the mayor and their project failed. The two examples show that Chinese people only focus on showing enthusiasm to foreign businessmen based on Chinese culture; however, it is difficult for foreign guests to accept because they have a different culture from us.

In addition, both Ronhua and Zhixin (2008) point out that Chinese enterprisers are accustomed to invite guests for expensive wine and urge them to drink during dinner with the purpose to show their respect to guests; however, it is highly suggested that Chinese enterprisers stop doing it to American guests as they are afraid of being urged to drink by Chinese enterprisers. For example, an American businessman felt head spin by being urged to drink wine several times during the business dinner with a Chinese enterpriser, and finally their business failed. In addition, Chinese enterprisers consider that hearty dinner and expensive wine are the opportunities to show organizational strength for American customers; however, John (2008) believed that to American people the company strength must be illustrated in numbers and accounts (John and Zhixin, 2008, p. 48).

• Giving presents

Giving presents in Chinese culture is an encouraged way during business activities. How to select appropriate presents for others or foreign guests is a study.

In considering preparing gifts for foreign customers, the factor of transport capacity should be put in the first place. According to Zhixin (2008), an American businessman got a present from a Chinese enterpriser during his visiting in China, which is a one-meter height China vase with traditional Chinese characteristics, but in the end the American was not able to take that huge present to America due to the limited transportation. Besides, western people pay much attention to the outer packages of presents, it might need to be aware of the black wrapping paper since black is considered unlucky in western countries (John and Zhixin, 2008, p. 60). However, as Jodie and Gorrill (2009) states that the Chinese enterprisers
should not feel surprised if American customers refuse the gifts, because present giving is often limited in American culture (Jodie and Gorrill, 2009, US Social and Business Culture).

As professional businessmen who are experienced in dealing with Americans, Ronhua and Zhixin (2008) believe that the presents which represents Chinese culture and national characteristics are highly welcomed by foreign guests, for instance the imitative Terracotta Warriors is a rare presents for westerners. On the contrary, some gifts those are popular in China but unsuitable for westerners, including medicines, cash, securities and jewelry. Furthermore, in some cases foreign guests also prepare some gifts for Chinese enterprisers during international business activities. Chinese people would better open the gift directly just like what westerners do and show it to others, in order to show the thankfulness and appreciation (John and Zhixin, 2008. p. 61). In addition, as stated in American Cultural and Etiquette Tips (2013), gift giving is presented after the deal is done.

• The extent of showing enthusiasm

Keeping appropriate extent of enthusiasm is one of the common principles in foreign-related etiquette, which refers to not only treat people hospitable and kindly but also hold the appropriate extend during the contacting with foreigners. As Confusious pointed out that China is well known for its rites and etiquettes, it is always a pleasure to greet a friend or guest from other countries. Antong invited American guests several times through Chinese way and made full schedules for their guests for fear of neglecting them. Ronhua stated that sometimes Chinese people are over-enthusiastic to foreign guests and made them inexplicable. Thus, it is important to keep appropriate extent of enthusiasm during association with western customers.

According to the experience of Ronhua, Chinese enterprisers emphasize on arranging full schedules when receiving guests, which includes business events as well as entertainment. To Chinese people, it is an enthusiastic way to receive customers; however, for foreign guests they have no time at their own disposal and even feel like that their freedoms have been violated. Ronhua showed an example regarding to the over-enthusiastic of a Chinese
enterpriser. The Chinese man insisted on driving the American customers to the airport on the second day, however actually the American wanted to visit the landscape of that city rather than going to the airport directly, thus he felt unpleasant about such arrangement by the Chinese enterpriser as he believed that his private time should not be disturbed. “This is an incompatible event due to the over-enthusiastic of Chinese businessman, over-enthusiastic is inappropriate for American guests because they are highly value personal freedom”, as Ronhua concluded. In additional to that, John (2008) suggested that it is better to try to distinguish between work and personal life when inviting American customers rather than influencing their personal freedom (John and Zhixin, 2008, p. 66).

Business negotiation

• Business introduction

According to the client, Antong needs to make the business introduction for their American customers when they visit Antong organization, and the client believes that a good business presentation is an essential method to attract customers. However, Antong used to make business introduction for them through using Chinese way and the client has no clue whether it is a suitable method of introducing for American customers. Besides, Antong joins the oversea meeting of inviting outside investment and fund in American and Europe every year with the aim to introduce the organization and attract potential customers from oversea. Moreover, the organization often invites translators to make presentations for their American customers to introduce this company but with nonideal results. John (2008) believes that the substantial and effective business introduction is the key to communicate with Americans and to promote smoothly development of business activities (John and Zhixin, 2008, p. 78).

China, as remarked previously, belongs to high-context culture where people are indirect in communication. Thus, as Ronhua indicated, usually Chinese enterprisers present a lot sentences that are unrelated to the theme subject when introducing business. Furthermore, as modesty is the virtue for Chinese so that many people try to avoid too outstanding
performance when introducing company to guests. In America, business introduction refers to be direct, easy, understandable and kept to the main point directly. John (2008) believes that American businessmen pay much attention on numbers and figures, which means a huge number of figures are necessary during business introduction; besides, Understand US Business Culture (2013) also concludes that the facts and figures are the most important contents during business introduction. Moreover, they focus on accurate English when listening to the business introduction by Chinese enterprisers, because Americans dislike spelling error. Furthermore, it is important to point out that America is a low-context culture, where people are direct and straightforward. They do not feel ashamed and always like to get to the bottom of everything they do not understand, and they would like to hear a relative explicit and direct answer from Chinese enterprisers. In addition, saying “no” is appreciated in American culture; Chinese enterprisers are suggested to say “no” directly if they have a different opinion from American people (John and Zhixin, 2008, p. 81).

- Business negotiation

The client pointed out that they feel uncomfortable and uncomprehending about direct and straightforward business negotiation style from some of their American customers. Ronhua thought that Antong has not realized the importance of international business negotiation or American negotiation style. In Chinese culture, friendship and business are connected with each other; people focus on making friends at first and then talking about business. Besides, in the beginning of business negotiation among Chinese people, they spend a lot of time in exchanging of pleasantries and then come to the point. Moreover, Zhixin (2008) points out that the Chinese negotiation style is formal and indirect and messages are stated implicitly, and saying “no” is considered as impolite that ought to be avoided. In addition, building long-term relationship is the main purpose for negotiation because long-term orientation is valued in Chinese culture (John and Zhixin, 2008, p. 95).

On the other hand, Ronhua stated American people are particular about detailed planning during work. The specific objective and number are required when talking about business with American customers. During business negotiation, it is important to distinguish
friendship from business, people usually go to the main point directly rather than spending time for pleasantries. According to Understand US Business Culture (2013), American people are accustomed to come to the main point efficiently and quickly. As Jodie and Gorrill (2009) writes, American people usually make clear distinctions between working and personal life, and workmates and friends; additionally, it is common to start and finish negotiation quickly, and problem-solving or a signed contract are their main objectives for negotiation (Jodie and Gorrill, 2009, US Social and Business Culture). Moreover, according to John (2008), American people focus on informal and direct negotiation style and a good deal for the purpose. Besides, American customers are accustomed to say and hear “no”. As a result, Chinese enterprisers are encouraged to say “no” bravely to state their opinion in negotiating with American customers (John and Zhixin, 2008, p. 96).

To conclude the differences, the chart below clear shows the comparison of culture and negotiation styles differences between China and America.

<table>
<thead>
<tr>
<th>General culture values and thinking modes</th>
<th>Chinese</th>
<th>American</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collectivism</td>
<td>Individualism</td>
<td></td>
</tr>
<tr>
<td>Hierarchy</td>
<td>Equality</td>
<td></td>
</tr>
<tr>
<td>Relationship first</td>
<td>Information first</td>
<td></td>
</tr>
<tr>
<td>Holism</td>
<td>Detail oriented</td>
<td></td>
</tr>
<tr>
<td>Negotiation styles</td>
<td>Long-term process</td>
<td>Short meeting</td>
</tr>
<tr>
<td>Formal</td>
<td>Informal</td>
<td></td>
</tr>
<tr>
<td>Messages exchange</td>
<td>Indirect</td>
<td></td>
</tr>
<tr>
<td>Explanation first</td>
<td>Direct</td>
<td></td>
</tr>
<tr>
<td>Higgling style</td>
<td>Question formulation</td>
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<tr>
<td>Provocation formulation</td>
<td></td>
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</tr>
<tr>
<td>Purpose</td>
<td>Building long-term relationship</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Looking for a good deal</td>
<td></td>
</tr>
</tbody>
</table>

*Chart 5: comparison of cultures and negotiation styles differences between China and America.*
Translation

John (2008) considers the bad translation could directly influence the success of international business activities. Thus Chinese enterprisers need to make sure that all their thoughts, planning and objectives must be transmitted accurately by translators to American customers (John and Zhixin, 2008, p. 99). Just like many other enterprisers, the client ignores the functions of translation and only considers the education of translator rather than emphasizing on the abilities of language application or strain capacity.

Translation is significant during business activities. Translators are required not only a wide English vocabulary but also a clearing understanding about American culture and language. As John (2008) pointed out that he always feel confused by listening to the inaccurate translation when he contacting with Chinese enterprisers and government officers; for instance, the Chinese translators usually state Chinese style of English and make mistakes on translating professional titles and specific numbers (John and Zhixin, 2008, p. 100). Therefore, it is important for Antong to ensure the accurate translation when contacting with American customers.

5.2 E sub-question 2: what is the opinion of the client about this handbook?

5.2.1 the expectations of the client and Chinese interviewee about this handbook

According to the intake meeting with the client, his biggest expectations about this handbook include two aspects. Initially, a general overview of both Chinese and American culture context as well as business culture is necessary for the client, which provides him with the knowledge of American business culture and the understanding of the cultural differences between China and America. On the other hand, the guidance regarding to how to do business with American customers and the factors that need to pay attention when doing business with them is also the expectation of the client.
The interviewee, who has been living in America for several years and knows American culture, expects the comparison of cultural differences between China and America. In his opinion, the comparison of Sino-American culture can be more intuitive to provide the client with what exactly the culture context is in America and what the cultural differences are between China and America. In addition to him, the general business culture can be divided into three sectors, namely, business etiquette, business reception and business negotiation; and these fields could be analyzed in the handbook to show American business culture for the client.

The relevant information of expectation of the client and interviewee can be found in interview transcript in the appendix.

5.3 A sub-question 3: what are the most obvious business cultural differences between these two cultures about the options on the handbook?

The comparison of cultural differences between China and America are drawn on conclusions section.

Conclusions

The research results of this research described and compared culture norms and business culture differences between China and America. The culture norms of China and America were gathered through Hofstede’s and Hall’s cultural dimensions, and the data of business cultures in these two countries were collected through literature, books, Internet and in-depth interview. Besides, as the research objective is to give the general overview of business cultures in two countries in the fields of business etiquette, business reception and business negotiation, the culture norms and business cultural differences in related fields between China and America have clear stated in research results in order to achieve research objective.
The client expects to see the general overview of American business culture context and the advice and guidance concerning to how to do business with American customers. Besides, a comparison of both cultures is also necessary for the client. Besides, the interviewee who provided detailed data of American culture expects to see the comparison of both cultures in order to indicate the business culture differences between China and America.

In Chinese culture context, it is high-context culture that interpersonal relationship, indirectness, power distance, collectivism and long-term orientation are highly valued. The relationship is of high importance for people doing everything in China. In business sector, relationship comes first, which means that people emphasize on building relationship and making friends in the first place, after that they go to the business point. An unwritten rule believes that the stronger the personal network, the more successful the business. Powder distance is another obvious Chinese culture characteristic. The hierarchy exists between employees and managers to a great extent, employees who are less experienced need to show respect to their superiors. Besides, the communication tends to be indirect among Chinese people, as directness and straightforwardness are considered as impolite in Chinese culture norm. In addition, China is a collectivism culture that people focus on group and family rather than looking after themselves only.

To compare with Chinese culture, American culture belongs to low-context culture where people are direct, individualistic, less power distance and short-term oriented. A low-context culture is linear, and message content is explicitly and directly stated in the words. Criticism and saying “no” are the signs of directness and straightforwardness, which are not avoided but the ways for improvement in American culture. The communication style tends to be direct; it is common that people come to the key point directly during business negotiation. In addition to that, individuals are accustomed to go to point and come up with results quickly and efficiently during business meeting, because America is rather a short-term oriented culture. Besides, individualism is highly valued in American culture, people pay attention to look after themselves and they feel comfortable to do business with strangers. Moreover, power distance is less by comparing with that in Chinese culture, American
people focus on equal rights among all aspects in society and government, and hierarchy is less important within organizations.

To compare business culture norms in China and America, the main differences are shown in the fields of business etiquette, business reception and business negotiation.

In business etiquette, Chinese people are accustomed to greet others by asking them “have you eaten meal” and addressing them as surname plus position or kindred relationship to show respect and politeness; while the greeting style in America is much simpler, a word of “hi” or “hello” is enough and people like others calling their names directly when greeting. Besides, body posture such as eye contact has different meanings in these two cultures. In Chinese culture bowing head and do not look into the other person’s eyes when listening to others is a sign of showing modesty; contrarily, in America both sides should look at each other’s eyes during conversation in order to show respect and confidence. Moreover, Chinese enterprisers usually ignore appropriate dressing when contacting with others, however American people focus on elegant dress such as business suit and consider dressing should base on certain occasions and roles. Furthermore, Chinese people pay special attention on mobile phone and have strong dependency of using it to send business messages and make a deal, because Chinese culture tends to be indirect and implicit so that people prefer expressing their opinions through sending phone messages to others rather than making a phone call directly. In America, mobile phone is only used for making phone call and people are fond of talking with others through making call directly rather than sending messages. In addition to that, Chinese enterprisers emphasize on negotiating business through mobile phone, while American people are accustomed to communicate via sending emails.

In business reception, Chinese enterprisers value inviting foreign honored guests to big dinner to indicate profound Chinese food culture and strong organizational strength; besides, they also invite guests for expensive win during dinner and urge guests to drink. To American people, they prefer simple, fast food and working meal when they come to China rather than hearty dinner, because they give first priority for their business. Besides,
American people consider that the company strength must be reflected in numbers and accounts rather than extravagant dinner. In addition to that, Chinese enterprisers are sometimes over-enthusiastic who emphasize on arranging full schedules when receiving foreign guests in China for fear of neglecting them, including the schedules of business events as well as entertainment. However, to American customers, personal freedom is highly valued. During gifts exchange in international business activities, the gifts that represent Chinese culture and national characteristics with nice outer packages are highly appreciated by American people. However, some presents that are popular in China but that are not suitable for westerners, such as cash, securities, medicines and jewelry.

In business negotiation, Chinese style of making business presentations for customers is considered as indirect, lengthy, and not topic-oriented and aims at building long-term relationship. In Chinese culture norm, friendship and business are connected with each other, which means that people focus on spending some time in building friendship firstly before going to the business point. Chinese enterprisers are accustomed to state a lot sentences that are irrelevant to the theme subject in the beginning during business introduction with formal and indirect negotiation style and implicit information content, because indirectness and modesty are valued in Chinese culture context. Besides, those enterprisers try to avoid too outstanding performance and also avoid saying “no” in order to keep harmony atmosphere. On the contrary, American business negotiation style tends to be direct, easy, understandable and topic-oriented and aims at looking for a good deal. As a low-context culture, American people are direct, straightforward and particular about detailed planning and deadline rule during work, they do not feel ashamed to get to the bottom of everything they do not understand and they would like to get a relative explicit and direct answer. Moreover, friendship and business are not connected with each other, people are accustomed to go to the key point directly without spending time to build relationship or pleasantries during business negotiation with informal and direct style and information is explicit stated. Besides, saying “no” is appreciated in American culture. In addition to that, American businessmen focus on detailed numbers and figures and accurate English during business negotiation, as they dislike spelling error.
Advice

On the basis of analyzed and comparative business culture norms in China and America from relevant theories and interview, the specific advice regarding to how can Antong build and maintain successful business connections with American customers in the fields of business etiquette, business reception and business negotiation are designed. In the following, the advice concerning to use mobile phone appropriately, show moderate enthusiasm, reception and business negotiation method are the most important advice for the client. The culture conflicts and misunderstandings are caused in these four fields mainly.

**Business etiquette**

Antong should pay attention to state the first word appropriately when contacting with their American customers. It is suggested to address their names directly without an honorific title rather than through using Chinese ways such as “surname plus position”, because westerners are accustomed to address others disrespectfully by names despite to those who are not familiar with. Besides, being on time is important in American culture because they consider lateness to be disrespect.

The meanings of body language such as eye contact are different between Chinese and American cultures, Chinese enterprisers are suggested to look at eyes of the other side directly during the conversation with American customers in order to build trust. On the contrary, bowing head or not looking at their eyes is a sign of shyness, guilt or not confidence. In addition to that, it is impolite to gaze at others for quite a long time even if with the appreciative eyes.

Just like many other enterprisers, the client does not pay a lot attention on dressing when negotiating with their American customers and inviting them for dinner together. “TPO” model, which refers to time, place and objective, is the advice of dressing appropriately for Antong when receiving American customers. TPO dressing model suggests that Chinese enterprisers to dress gracefully and tastefully according to the certain time, occasion and
objective; because the receivers not only represents themselves but also represents the organization and even the image of a country.

Mobile phone that has individuating ring and color ring back tone is the main communication tool for Chinese people, however a lot Chinese people have not realized that the individuating mobile phone ring would interfere with others during the business meeting with American customers. As John and Zhixin highly suggested that Chinese enterprisers would better shut down mobile phone or switch into silence model, in order to show respect to foreign guests and not to interrupt others. Besides, the color ring back tone of mobile phone is highly welcomed in China but unpopular in America, there are a lot westerners feel strange and have no idea about it.

As a result, Zhixin suggests those Chinese businessmen who need to contact with American customers through mobile phone do not set up strange color ring back tone to avoid giving bad impression to Americans. In addition, Zhixin also points out that do not use mobile phone message method to express congratulations to American businessmen, because they consider it is an impolite behavior. However, email is an appropriate communication tool to contact with American customers, as they are accustomed to use email during work. To sum up, American people use mobile phone quite differently from Chinese people; the suggestions for client include that switch mobile phone into silence during business meeting with American customers and close color ring back tone service to keep business contact via phone, to communicate with them through either sending email or making phone call directly rather than sending phone message, and another point that the client needs to be aware of is that do not making phone call as driving American customers in the car.

Business reception

Inviting guests to dinner is necessary during international business activities. As Chinese enterprisers as well as the client focus on ostentation during business reception or inviting foreign guests for dinner therefore they order lot costly dishes despite all the food cannot be eaten up, the purpose is to show organizational strength to the guests. However, American
businessmen believe that the organizational strength needs to be showed on accounts or numbers. Thus, Antong is suggested to prepare some simple, fast food or working meal for American customers, rather than using Chinese way otherwise American people might have splurge impression about Chinese enterprisers. Moreover, some taboo meat should be avoided when inviting American customers for dinner; and they are accustomed to eat divided meal, which means they order food for themselves only and eat the food in their plate. In addition, it is important to suggest the client do not urge guests to drink when receiving American customers. In fact, as Zhixin suggests, it is unnecessary for Chinese enterprisers to spread a feast during the process of receiving American customers; in doing this, American customers consider it as a burden and for Chinese enterprisers it is a kind of extravagancy. Actually, Chinese enterprisers are advised to use the time and money that spend on ostentatious dinner to do some more effective business with American customers.

Enthusiasm is essential when receiving foreign guests, however, is it highly suggested to pay attention to keep appropriate extent of enthusiasm. Chinese people are famous for treating guests hospitably and kindly, in most cases they arrange full schedules for guests and accompany them all the time for fear of neglecting them. This kind of enthusiasm is suitable for receiving Chinese guests; however, Chinese enterprisers have not realized that it is a kind of burden and over-enthusiastic for American customers because of cross cultural differences. American people value personal freedom, so that too full schedules are considered to violate their freedom. As a result, John and Zhixin advise Chinese enterprisers to receive American guests through appropriate extent of showing enthusiasm. Besides, taking the standard that personal freedom should not be influenced when hosting American customers. For instance, the client are suggested to respect guests and leave some time free from business for American customers to avoid over schedule, otherwise the guests would feel uneasy about full schedule and over-enthusiastic of Chinese enterprisers.

Giving a present to foreign guests is an encouraged standard during interpersonal communication. The relevant advice for client include that the transportation is the prime consideration when preparing gifts to American customers, and those presents which have
nice outer packages but besides black color and stand for Chinese culture and national features are highly appropriated. Moreover, the client needs to be aware that the presents should be given after business negotiation. Furthermore, medicine, cash, securities and jewels are popular presents in China but those should be avoided when giving a present to Americans. In addition, in case of receiving a gift in return from American customer, the client would better open the gift directly just like what westerners do and show it to others, in order to show the thankfulness and appreciation.

**Business negotiation**

Before making the business introduction to American customers, as Zhixin suggests, the client would better to know their purpose of inviting Antong organization and then prepare short and clear information to point out the main characteristics and strength of the organization with specific numbers and figures, because American customers pay attention to see whether there is substantive evidence of numbers in the business introduction. Besides, it is important to hire an English translator who is able to speak correct English and understands American culture, because a qualified translator represents the corporate image and American businessmen dislike spelling error or misunderstanding that caused by the inaccurate translation.

During the process of introducing business for customers, the client should understand the thinking habit of American people. As a low-context culture, Americans are rather direct and straightforward. Therefore, the insignificant information and the content those are irrelevant to the theme of business introduction must be deleted; the statement should be short and understandable and kept to the point directly. Moreover, it is also suggesting the client that does not show modest when making organizational introduction to American customers, just perform all the abilities to them.

In the end of business introduction, American people like asking questions if they do not understand something. In their opinion, they do not feel ashamed and always like to get to the bottom of everything. Once American customers ask questions, the client ought to give a
relative specific answer directly rather than being silence or disregarding totally. In addition to that, if the business introduction is interrupted by someone asking a question, the client needs to answer it even if it is a ridiculous question. In case of the question is impossible to answer, it is also suggest replying such as “I don’t know” or “I am afraid I can not answer your question.”

On the other hand, saying “no” is appreciated by American people; thus the client is suggested to say “no” directly and bravely if there is a different opinion from American customers. Furthermore, the management team and formal supervisor mode within Antong can also be introduced for American customers when making business introduction for them.

Moreover, paying attention to deliver goods to American customers on time because they focus on deadlines rule.

In addition, it is important to distinguish friendship from business when making the business negotiation with American customers. Besides, the client is advised to negotiate business with American customers through using American style, which refers to come straight to the main point with specific objective and detailed numbers but without spending a long time for pleasantries. Additionally, it is significant to state own opinion clearly and say “no” when necessary because American people are accustomed to hear it.

The last but not least, John suggests to analyze the situation of American customers before negotiating with them, including their objective, strength, weakness and to what extent this deal is important for them.

The above suggestions are designed for Antong when dealing with their American customers in the fields of business etiquette, business reception and business negotiation. It needs to be aware of American culture context and then to do business with them through American ways rather than Chinese styles, in order to build and maintain long-term and successful business relationship with them.
Finally, the overall suggestions regarding to how to do business with American customers in the fields of business etiquette, business reception and business negotiation are concluded in dos and don’ts lists.

<table>
<thead>
<tr>
<th>Concrete aspects</th>
<th>Suggestions</th>
</tr>
</thead>
</table>
| Business etiquette | Greeting | • Do address their first names directly rather than “surname plus position” of Chinese ways.  
• Do not be late for appointment or meeting, to be punctually |
|                  | Body language/eye contact | • Do look at eyes of the other side directly during conversation with American customers to show interest and confidence.  
• Do not always bow head in communication. |
|                  | Dressing | • Do pay attention to “TPO” model to dress appropriate dressing according to certain time, place and objective. |
|                  | Communication style/mobile phone culture | • Do use email or direct phone call as main communication tool when contacting with American customers.  
• Do answer emails within 24 hours with short and clear content.  
• Do not communication with them through sending mobile phone messages.  
• Do switch mobile into silence model during business meeting with Americans to show respects.  
• Do not set up strange color ring back tone on mobile phone to keep business contact with American customers via phone. |
| Business reception | Dinner | • Do not make phone call when driving American customers in the car.  
|-------------------|--------|---------------------------------------------------------------------|
|                   |        | • Do prepare simple, fast food or working meal for American customers, rather than a deluxe dinner.  
|                   |        | • Do not urge American guests to drink.  
|                   |        | • Do use the time and money that spend on ostentatious dinner to do some more effective business with American customers.  
| Giving presents   |        | • Do consider transportation factor when preparing gifts for American customers.  
|                   |        | • Do use nice outer packages of gifts but the black color should be avoided.  
|                   |        | • Do not give medicine, cash, securities or jewels as presents for American customers.  
|                   |        | • Do open the gift directly and show it to others when receiving gifts from American customers.  
| Extent of showing enthusiasm |        | • Do keep appropriate extent of showing enthusiasm.  
|                   |        | • Do not make full schedules when receiving American customers.  
|                   |        | • Do respect guests and leave some time free from business to avoid over schedule.  
| Business negotiation | Business introduction | • Do prepare short and clear information with substantive evidence of numbers and figures during business introduction for American customers to point out main features and strength of the organization.  
|                   |        | • Do perform all the abilities in business  
|                   |        |
| **Negotiation style** | • Do pay attention to deadline and to deliver goods to American customers on time.  
• Do come straight to the main point with clear objectives and numbers to negotiate business with Americans.  
• Do not spend a long time for pleasantries when negotiating with American customers.  
• Do use short and understandable information, and keep to the main point directly when negotiating with American customers.  
• Do delete the content those are irrelevant to the theme of business introduction.  
• Do give specific answer directly to answer questions when asked by American customers rather than being silence.  
• Do say “no” bravely if there is a different opinion from American customers.  
• Do distinguish friendship from business when doing business with American customers. |
| **Translation** | • Do hire an English translator who is able to speak correct English and understand American culture. |

*Chart 6: general overview of key factors when doing business with American customers in the fields of business etiquette, business reception and business negotiation.*
Bibliography


Zhu, H.F. (February 25th, 2013). Intake meeting; personal interview


Ronhua, W. (April 12, 2013). Personal interview


Appendix

Interview transcript 1

<table>
<thead>
<tr>
<th>Topic: intake meeting with client</th>
<th>Date: February 25, 2013</th>
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<tr>
<td>Name of interviewer: Huan Guo</td>
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<tr>
<td>Name of interviewee: Hongfeng Zhu</td>
<td></td>
</tr>
<tr>
<td>Role of interviewee: CEO of Antong</td>
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Reason for interviewing: to gather information about organizational problem and client’s expectation from this thesis

1. The main target group of Antong is American customers.
2. The client as well as the employees in Antong are inexperienced in doing business with their American customers.
3. They are never trained about understanding American business culture.
4. The client would like to build and maintain long-term and successful business relationship with their current and future American customers.
5. So far there are no specific strategies for them to build relationship with American customers.
6. The client has realized that the starting point to do business with American customers is to understand their culture.
7. My client needs suggestions regarding to how to do successful business with them.
8. The expectation of the client is to provide him with a general overview of American business culture and advice of how to do business with them.
The first interview was held with my client, Hongfeng Zhu, who is the chairman of the board of Yiwu Antong Electronic Co., Ltd. The objective is to gather general information regarding to the organizational problem and client’s expectation from this thesis.

In the following, F represents for my client and H is short for Huan.

H: Hello Direct Zhu. Thank you for providing me with this opportunity to write my bachelor thesis in your company. We have already contacted with each other before about this report, now should we go further to discuss more specific information? Can you give me some introduction about Antong?

F: Sure. Antong is a foreign trade company in the field of new energy, which mainly produces integration fireplace with Euramerican style and biomass stove. The product of fireplace is targeted to international market and our main customers are Americans, and some are Europeans such as Russians. The biomass stove is only sold to domestic market. We have two direct stores in international business and trade market located in Yiwu.

H: Are there many American or western customers come to your direct stores everyday?

F: Yes, a lot western people come to visit our products, because Yiwu has the largest small merchandise wholesales market in the world that attracts many foreigners come here to purchase goods and export to their countries. As I know, many of them are resident in Yiwu and go to the market for sourcing everyday.

H: Do you have any organizational problems so far? For instance, do you have any problems in products, marketing or contacting with your western customers?

F: I think we have a small problem when contacting with American customers. We targeted to American and European customers when we designed these fireplace, because fireplace is popular among these countries but not popular in China. Besides, our products are new energy products that are highly welcomed by our American customers. With the better and stronger development of this market and more and more foreigners come here for purchasing goods, we believe that Yiwu is a unique and special place to do foreign trade business; and we want to keep good and long-term business relationship with our current and future American customers, but we don’t know how we can do that. I mean, if we want to keep long-term and good business relationship with Chinese customers, it is quite easy for us; but when it comes to build relationship with American customers, we find it is difficult.

H: So how is your business relationship with your American customers? Do you have good contact with them or do you receive them through Chinese way?
F: Not really. Actually, we pay a lot attention to contact with our American customers. For instance, we hired English translators when we receiving customers, and we treat them for big dinner and we are patient with them during our business negotiation, but we found that it is difficult to have a long-term business relationship with them.

H: Do you understand American culture context and business culture context?

F: We just know that the cultures in China and western countries are different and America has a different culture from us, but we do not much detailed information of these differences. BTW, I heard that you study abroad? So maybe you have a good understanding about culture in western countries?

H: I study international communication and media in the Netherlands, and my major is closely related to the intercultural fields. We learnt a lot cultural theories such as Hofestede’s and Hall’s cultural dimensions. Have you ever heard of these cultural theories?

F: Never, what it is about?

H: Hofestede’s cultural dimensions, for instance, he found in his research that collectivism exists in our country while American culture is individualism; and Chinese culture values high power distance and in America power distance seems less. And in Hall’s cultural theory, culture is divided into high-context culture and low-context culture. In high-context culture people are indirect such as Chinese people and focusing on keeping harmony, while people who come from low-context culture such as America are known as very direct and straightforward. For example, usually we try to avoid saying “no” to others because it is impolite, but in American culture saying “no” is allowed, which is one of cultural differences between America and us according to Hall’s cultural theory.

F: I agree. During the contacting with our American customers, I have realized that they are accustomed to say “no” directly without any hesitation, sometimes, and I believe for many Chinese people, they will feel offended by this direct behavior from American people.

H: I think so. I also have the difficulty to accept this direct behavior from western people; this causes the cultural conflict during communication with them.

F: I think the cultural theories you mentioned just now are really interesting for me. I, and my employees, all of us are never heard it before. And I think this information is helpful for Antong to train our employees to do business with Americans or Europeans in the future.

H: I can provide you with the cultural dimensions from them; first of all I can provide you with general information about culture norms in our country and America and then make a
comparison, because I think this information will give you a basic understanding about in which areas America culture is different from us.

F: That would be great. I am looking forward to your research and information about American culture, because you learnt professional data of foreign cultures when you were abroad and you may have your experience and understanding about western culture.

H: I believe I can provide you with professional data regarding to American and also Chinese cultures, because I think we need to understand our own culture at first and then have a look at a different culture. Besides, how about your employees, do they understand American culture or do they know what factors need to pay attention when they contact with American customer?

F: I don’t think so, they don’t have that much knowledge about that. Usually American customers come to our stores with their translators, so that our employees just need to talk with those translators about the information of product and price, and the translators will translate to Americans.

H: I see, so in Antong employees seem to lack experiences in doing business with American customers. Have they been trained to understand American culture and how to do business with them before?

F: No, they are never trained before. Actually, we, our company ignore this kind of problem. We though that American customers have their translators, so that we don’t need to prepare a lot when doing business with them, we just talk to their translators; but now, I believe that we need to improve ourselves to attract American customers and build long-term relationship with them by Antong’s own abilities.

H: Now can we definite the organizational problem for my thesis and research? Let’s say the organizational problem within Antong is that employees lack experience in doing business with American customers, and so far there is no certain strategy to build long-term business relationship with your American customers?

F: Yes, I think this is the problem we are facing now. We want to know more about our customers, and I believe that it will be easier for us to do business with them if we know more about them. In the recent years, although China focuses on opening to the outside world and there are a number of Chinese people go abroad and a lot western people come to China; however, for us America and its culture are still mysteries. We know we are different but we only know the differences on the surface such as I realized that American people are direct in the communication, and we are indirect. And for the detailed or further knowledge of the differences, actually we lack this kind of knowledge. We have been doing business with American customers and selling them our products for several years, in the beginning we did
not pay attention to how to contact with them or other things because they brought translators, so in this way we communicated with them indirectly; but now, the number of our American customers and business deal is increasing and we rely these customers as our products are mainly exported to America, and we haven’t developed the whole European market yet, so that for us so far American customers are our main target group. The employees Antong hired are able to speak some English when they receiving American customers, but they are not that professional, or in other words, they are inexperience in dealing with western customers and I think it is related to the shortage of knowledge about American people and American culture, and I don’t have much experience of how to do business with them either. On the other hand, Antong focuses on making the company stronger and more international, so that we want to improve the organizational strength and ourselves.

H: It’s true that many foreign people take translators with them when sourcing in the international trade market in Yiwu. As I know, a lot translator only know some English but they don’t know a lot information about western countries. The function of translator is to build bridge between American or western customers and Chinese stakeholders, but sometimes those translators are not able to transmit the real meaning for them. As a result, I think Antong would better to hire translators who are not only able to speak fluent English but also know American culture and business culture. For instance, if culture conflict happens during the business negotiation or conversation between you and your American customers because both of you do not understand each other’s culture norms, then the translator can clarify in between if he or she knows both Chinese and American cultures.

F: I agree with you. Now I have realized the importance of understanding our customers’ culture, and I believe that our communication and negotiation will become easier and more effective if we have a basic understanding about them. Do you think you can give us a good overview of American business culture, such as their thinking model, communication style and other behavior?

H: I will do research regarding to American culture in the following weeks. What about Chinese culture? Hofstede and Hall both did research on Chinese culture and I think their culture theories can give us more specific understanding about our own culture. Besides, if we want to know a different culture, it is better to have a look at our own culture, after that we will know the similarities and differences between our culture and American culture.

F: Yeah, although we know our own culture but it is also interesting to see their culture theories about how they described Chinese culture.

H: Ok, I will do research on Chinese culture as well and make a comparison of cultural differences between these two different countries. What about providing you with basic knowledge about two different culture norms at first, and then follows the findings of different
business culture norms in America and also in China? The first part will refer to a general understanding of the characteristics of cultures in China and America respectively, after that, the second part will describe business culture in America and that will provide with more detailed and specific knowledge of American business culture. Besides, the business culture in China can be also described so that you and your employees have a more clear understanding about how American business culture is different from us.

F: I think it will be more helpful if both culture norms and business culture characteristics are stated, for me and also for our employees, when we read your data about American culture, if we can also read information about Chinese culture, it is better for us to understand culture in America and the differences between these two countries.

H: Yes, I will write both culture and business culture norms. For culture norms I can refer to Hofstede’s and Hall’s cultural dimensions and theories. And for business culture norm in America, what areas, fields or topics would you like to know?

F: I think a general understanding; it could be around their values, behavior, thinking model and so on. For example, when we negotiate price of products with them, which negotiation model is suitable when we communicate with American customers? Besides, we used to take much count of inviting our American customers for big dinner because we wanted to show our enthusiasm for them and also wanted to build relationship with them, but finally we found that they were not really appreciate it, but we have tried our best to receive them. Moreover, when our important American customers come to Yiwu to visit our factory and products, we picked them up and I drove them to our direct stores in international trade market and to our factory, we accompanied them all the time for fear of neglecting them, and also made schedule for them that includes business and entertainment, we wanted to show our passion to them. Furthermore, our company joins the oversea meeting of inviting outside investment and fund in Europe such as Italy, and also in America every year to introduce our company and attract customers, but the result was not that ideal, maybe we should do it in a different way when we make business presentation for western customers.

H: I feel like that American people and we are quite different and completely contrary in a lot fields. Sometimes, for instance, we receive Chinese customers for big dinner and they are highly appreciated, but when we receive American or western customers also through this Chinese way, maybe they won’t highly appreciate just like Chinese customers because our cultures are quite different. Inviting guests for a big dinner is suitable in our culture but maybe for a different culture it is the other way around.

F: Actually, I have always wanted to know more about our American customers, but no certain strategies for us to know. You have been living and studying abroad for some years and I believe you can provide us with valuable and useful data about American business culture.
H: And with regard to this research and thesis, what is your expectation about it? Do you need guidance or strategies about how to do business with American customers?

F: Yes, the guidance or a handbook about this field is helpful for us. I expect that this handbook includes a basic information about American culture norm at first, and then a description of business culture in America, and then follows the guidance or suggestions concerning to strategies or factors or how to do business with American customers such as what we can do and what we can’t do when we contacting with them.Besides, the description of culture and business culture context in China can also be stated in the thesis and make a comparison of these two cultures.

H: Ok now I am clear about the organizational problem within Antong and your expectation about my research and thesis. In the following weeks I will write a proposal and then start to do research in the fields of cultures in these countries.

F: How are you going to do research?

H: I will explain in my proposal, for instance, I will use both primary and secondary research methods such as interview, literature review, Internet and books and so on to gather relevant data. I will keep you undated about information I collect.

F: I look forward to reading your research report; I would like to see the detailed and specific differences between America and our country. I will also give your research result to our employees in marketing department or other employees who will do business with American customers in the future and I believe they will have clear understanding about American culture, I think the suggestions are important for them to do business with Americans in the future. Now I believe that the starting point to do international business is to understand a different culture, I think Antong will become more international-oriented when we have experience to contact with American customers.

H: I will do research and collect data according to your needs and expectations. Thank you for your time.

F: That’s great. You’re welcome.
Interview transcript 2

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<td>Name of interviewee: Ronhua Wang</td>
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<td>Role of interviewee: manager of Ruibeika Wig company</td>
<td></td>
</tr>
<tr>
<td>Reason for interviewing: to gather general information about American business culture</td>
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1. The main cultural differences between America and China reflect in the areas of business etiquette, business reception and business negotiation.

2. In the field of business etiquette, American people address others by calling their names directly, while Chinese people should address others by surname plus position.

3. Nonverbal communication, such as eye contact is different in two cultures. During interpersonal communication, American people look at other side directly means confident, while Chinese people sometimes bow head when listening to others in order to show modesty and respect.

4. Business suit is formal dressing in American culture, while Chinese enterprisers do not pay much attention on appropriate dressing.

5. The status of mobile phone is different between two countries. American people communicate with others through making a direct phone call through mobile phone or sending emails, Chinese people are accustomed to send mobile phone messages to others, and email does not work in Chinese culture. It is suggested that Chinese people should close the phone ring during meeting with American customers.

6. In the field of business reception, do not to be over-enthusiastic when receiving American customers such as arranging full schedules for them, accompanying them all the time or inviting them for hearty dinner, and do not influence their personal freedom. Besides, simple and fast food are more suitable for them rather than sumptuous meal. For gift exchange, the presents, which represents for Chinese traditional culture are highly welcomed by American customers.

7. In the field of business negotiation, American people are known as very direct and they come to the main point directly during business introduction and negotiation, while Chinese enterprisers are accustomed to spend some time for exchanging of pleasantries and building relationship before coming to the main point, and people are not stick to the point during business introduction.
The second interview was held with Mr. Wang, who has been doing business in America for several years and has his own opinion and knowledge regarding to local business culture.

H: Good evening, Mr. Wang. I got your contact information from a friend of mine. I heard that you have been doing business in Unite States for several years and I would like to talk to you to get some information about American business culture.

R: Sure, but why would you like to know about American business culture?

H: I am now doing graduation thesis in Antong, which is a foreign trade company and specialized in producing fireplace. Their main customers are Americans and target market is Unite States currently. As you know, Yiwu is a special place to do foreign trade business and there are many foreigners reside here. Antong receives foreign customers everyday and majority of order they got are from Americans. The CEO decided to maintain long-term relationship with their customers, however, they do not have rich experience in contacting with American customers or they do not know much about western or American culture, so that a handbook of American business culture will help them in how to deal with Americans.

R: I agree. Although China becomes more open and focuses on reaching on international standards, there are few Chinese people really understand cultures from western countries. To many people, western countries are still mysterious.

H: Antong is an international-oriented company, as their main business is focusing on American market; however, few employees speak English and few of them know culture characteristics of their customers. The CEO, who is my client, has realized that the starting point to build business contact with foreign customers is to understand their culture, including their behaviour, values and attitudes. After that, it will be better to build and maintain long-term business cooperation with those American customers.

R: I see. So you are now doing research regarding to business culture in Unite States for Antong?

H: Yes. My client knows that I have been living abroad for three years and I learnt some culture theories about different countries, such as Hall’s and Hofstede’s cultural dimensions. He and his employees never heard these cultural theories and he is very interested and he is confident in me.

R: Ok, sounds like an interesting project and research. I can provide you some information about American culture as much as I know.

H: Thanks. How many years have you been staying in America? Which city?

R: Around seven years in Chicago. I am managing the business of wig. We have our head office in China and one of sub branches in America, we have high market share in America.
H: My client would like to see a general overview of American culture and business culture, in your opinion, which areas or fields of American business culture can be divided?

R: Well, in the field of business culture, first of all, I think business etiquette is a very important area. It can refer to the first word when you communicate with Americans or westerners. For example, usually greeting is the first sentence to communicate with others, and the greeting styles are quite different between our country and America. In our culture, as we know our greeting style is to ask people “have you eaten meal” or “where are you going”, for us, it is quite normal and it is the most common way of greeting. However, for American people, as I know, they never greet with each other through this way and I think it is too personal for them. To compare with Chinese greeting style, American style is much easier, and according to my observation and experience of contacting with American businessmen, usually a word of “hello” or “hi” is enough. On the other hand, you know we value the way of address others who are older and have higher position due to the high power distance in our culture, so that usually we should address others as surname plus position, and we are not allowed to call their names directly, but in American it is quite normal to hear people call other people's names directly.

H: I think in Holland as well, my classmates and we just call our teachers’ names directly. In the beginning, I did not adapt to it and all of my classmates called teachers’ names directly so that I did so. These are the different styles of greeting each other, what about nonverbal communication different between China and America?

R: For nonverbal communication, for instance, like eye contact. In some Asian countries, such as Japan, it is not allowed to look at other people’s eyes directly. I was asked by some of my American friends when I just came to America, they asked me if it is true that students are not allowed to look at teachers’ eyes directly during their conversation. And I told them that in China students are allowed to do it, but sometimes students just bow their heads when listening to teachers. In China, bowing head, especially between younger and older people, or employee and boss, and students and teachers, is a sign of showing modesty, which is also very normal in China, but in America, it is impolite if one side does not look at the eyes of other side during the communication, and bowing head during conversation means unconfident.

H: Ok, I think it is the other good point of differences between America and our country. And in the field of business etiquette, I think personal behavior and communication are important, what about dressing, because I think appropriate dressing can give a good impression for others, whatever during personal meeting or international business communication.

R: Appropriate dressing is important, and I think Americans focus on this point. I realized that some Chinese enterprisers do not pay attention to how to dress appropriately when I took my American colleagues or American delegation to China, they drive luxury cars and live in big house but they don’t focus to dress themselves appropriately. In comparison, I think American
businessmen pay more attention to dressing especially in formal occasion, and business suit is the most common formal clothes.

H: Yeah, I realized that my client did not pay a lot attention to dress himself, and there is no standard uniform for his employees within his company.

R: On the other hand, I want to point out in particular that the mobile phone is used quite differently in China and America according to my experience. In our country, it seems that everyone has a mobile phone and we are accustomed to use it to talk with others and send message for life and also for work, we value the multi functions of mobile phone and we have strong dependency of using it and it has become a very necessary communication tool in our live. But in America, the mobile phone is only used for making a call, they don’t like send phone message. I never receive mobile phone messages from my American friends or colleagues and I never send message to them; we just call each other, or send email.

H: I also realized the differences of Chinese people and westerners use mobile phone differently. When I am in China, in most cases we like using mobile phone to send messages to others, sometimes make a phone call, and we hardly send email. But when I studying in the Netherlands, most communications are through email, for instance, the notification notice from my teachers or school and the messages from my classmates are all transmitted through email, I never receive mobile phone message when I studying there, and my mobile phone just like a watch. However, when I studies in Communication University of China in Beijing as an exchange student in 2011, all the information or notification from school and teachers were received though mobile phone messages, and email never works. Although the teachers told me their email addresses, I sent them emails but never received their replies.

R: It can be concluded that in China mobile phone occupies a leading position that is necessary communication tool in people’s live and work, and email does not work in China. On the contrary, in America, email is the main communication tool and they do not send message through mobile phone often.

H: Sometimes I find that some information or words are unspeakable during face-to-face communication or during the phone call directly, but it is much easier if we send this unspeakable message via mobile phone to others. I think this is because, we, Chinese people are very indirect, and we are accustomed to communicate with others through sending messages rather than speaking to them directly. But when I was abroad, I felt like that western people are very direct and they just speak out what they think directly. For me, and I think for most Chinese people, we might feel uncomfortable by this direct behavior. Besides, my client is a typical Chinese, he does everything through Chinese ways although he has been to abroad and he wanted to develop his company into international-oriented. He said that he also felt uncomfortable by the direct negotiation style of his American customers.
R: Exactly, our Chinese nations are known as indirect, but when we contact with western people or Americans, we would better to be more open and more direct, because they like talking with each other directly. When contacting with American people, Chinese people and for your client as well, who are more open are more likely to adapt and blend into their circles. Moreover, may you have already noticed that Chinese people, as well as Chinese enterprisers, they like using individuating ring and color ring back tone very much in order to show their personalities. Personally, I don’t like using it, and I find few American people use it. This is also another different point of Chinese people and American people use mobile phone differently.

H: I know that the color back ring tone is very popular in Chinese people, and my client also uses this ring tone, every time I call him I can hear this tone. Besides, he, and also other enterprisers has individuating SMS sounds on their mobile phone, and they don’t turn off the sound during meeting or conversation. Last year when I did my internship in Yiwu Business Newspaper, I found that when we had regular meeting every Friday afternoon, none of them, except me, turned off their mobile phone voice, and I always heard the individuating SMS sounds and mobile phone ringtone, so that the meeting was interrupted many times. I felt inadaptable about it after living abroad for some years. In Holland, I felt like everybody is consciously, for example, they are consciously close their ringtones of mobile phones; but in China, situation is in the opposite.

R: Well, personally, I think the main reason of Chinese people like using individuating ring tone is that they want other to realize their existence, maybe it is related to one-child policy in China that people feel lonely and want to attract others’ attentions. As you said, Antong’s main customers are Americans and your client wants to build long-term business contact with them, so that I would suggest your client to pay attention to use mobile phone in appropriate way when communicate with them although it is a trifle thing during intercultural communication. First of all, I can give you an example. Last year, I took a group of American delegation to China to visit some factories and negotiate business with some Chinese CEOs, during the business meeting, one of Chinese CEOs did not turn off the mobile phone ring tone and his mobile phone rang continually and suddenly with loud and exaggerated voice twice, and American businessmen felt very uncomfortable and unhappy about this sound and he did not have good impression about this Chinese CEO and his company, and also their business negotiation was influenced. Therefore, I suggest your client to pay attention to this, turn off the mobile phone ring when they have formal business meeting with American customers.

H: Thanks for your advice. I don’t know if my client closes his phone ring when contacting with his foreign customers, but he did not close it when he had intake meeting with me. I think, according to my observation in Holland and my friends who resident abroad, foreigners are accustomed to communicate through email, right? Last year I had a project to do research on Chinese culture, the interviewee who is an America believed that email in China never works.
R: Yes, in America email is a main communication tool. If your client wants to do business with Americans, he can communicate with them through email. In my case, the communication between my colleagues and I is transmitted through email mostly or through making telephone call directly, we do not send phone messages. But when I contact with my Chinese friends or colleagues in America, sometimes we still communicate through phone messages.

H: Ok, so these are main general cultural differences in the area of business etiquette. I would like to ask how do you see the cultural differences of negotiation styles between American people and us? I read from some relevant culture theories that western people and we have different thinking models; do you think it has influence for negotiating business? The employees of Antong need to negotiate business deal such as price, quality and functions of the products to their American customers in their direct stores, which negotiation style is more suitable for them? Besides, I know that western people are more direct than us, and my client said sometime they felt uncomfortable about the direct behavior about American customers.

R: Well, first of all, our Chinese people focus on making friends at first before making a deal; we believe that the business should be based on strong friendship or trust. If there are two strangers start to do a business, although this situation rarely happens in China, they will spend a long time to build relationship, to make friends, such as exchanging of pleasantries, and then come to business. But in America, when I have business talk with customers there, we usually just come to the main point directly rather than spending some time for pleasantries. So I think, in China, friendship, trust and business are connected with each other; while in America, I think friendship and business should be separated and distinguished. And also, American people focus on detailed planning, they have specific agenda and almost everything is done based on the planning on agenda. In addition to that, focusing on numbers when doing business with them, they pay attention on specific numbers. In my experience, when we doing business introduction for them, “give me numbers” or “I want to see the numbers” are their needs. Your client does not adapt to the direct communication of American customers that is because he has not realized or know American culture, and he has not realized the importance of how to use appropriate negotiation style. The business negotiation is important between your client and customers, I think if he wants to do successful deal and business with American people, he is suggested to use American negotiation style to communication with them, which means to come to the main point directly rather than using Chinese negotiation style, in that way I think it is more effective to negotiate a deal with their American customers in the future. As American people are direct, if your client uses Chinese way to negotiate business with them, obviously, it is inappropriate.

H: So in your opinion, my client can use American or western negotiation style to communicate with them, just come to the business point directly rather than spending time on pleasantries? I think this is my opinion as well, because Antong wants to do business with them, so I think they
should try to fulfill their customers’ needs, including not only their requirements about products, but also to negotiate with them through an appropriate and acceptable way, and I think in this way can Antong retain their customers.

R: Yes, when we do business with foreign people, we will do a good job or negotiate a good deal if we understand their culture. I have been living and working in America for several years, I have adapted to western culture, and, of course, I manage my business through western ways and the business deal becomes efficient.

H: Another point is that my client said they join the oversea meeting of inviting outside investment and fund but with not the intended ideal results, they want to publicize their organization and attract more foreign customers. In your opinion, how do American businessmen do business introduction or presentation? We know the communication styles are different in these two cultures, are they also very direct during introduction or should Antong use direct communication way to make their company introduction?

R: I attended several business introductions that were presented by Chinese enterprisers, and the audiences included both American and Chinese businessmen. The Chinese people, who did business introduction, just as I had conjectured, stated quite a lot sentences in the beginning of their introduction, which were irrelevant to the main objective, and those American people did not understand what they wanted to say exactly. From this example, for Chinese audience, we are adapted to hear this kind of business presentations because we are from one culture and we are indirect and are not accustomed to come to the main point directly during negotiation; however, for American businessmen, they are direct and they want to hear the introduction which is closely related to the main subject and they are not accustomed to hear Chinese style to make business introduction. As you said, your client is typical Chinese and received not intended ideal results during business introduction for foreign customers, maybe he did it through Chinese way and has not realized the culture and negotiation differences between America and us.

H: In this way, I think I can provide my client with the suggestion regarding to stick closely to the subject when doing business introduction for foreigner or Americans whatever in China or during the oversea meeting rather than using Chinese way in order to attract western customers.

R: Yes, personally, I have experience in listening to the different styles of business introductions. I found that American delegations were not interested by the indirect business introduction by Chinese enterprisers because they did not know what Chinese businessmen tried to say exactly. By the way, does Antong always receive American customers?

H: My client said that they pay lot attention to receive their customers to visit their direct stores and their products in the factory, and also invite them for big dinner. As you know, inviting
guests for dinner is the most common way of Chinese style of reception, and guests are considered as honored guests by invited a sumptuous meal. According to my client, Antong also invited American customers for such big meal in order to show their kindness and enthusiasm.

R: In this case, the sumptuous meal is perfectly appropriate for Chinese people but that is not suitable for receiving American customers. Chinese people focus on building relationship through inviting other for big and costly dinner despite the food can’t be eaten up. According to my experience, Chinese enterprisers believe that a sumptuous dinner can not only shows Chinese food culture for foreigners but also shows organizational strength, I think it will produce exactly the opposite results if Chinese enterprisers receive westerners for a sumptuous dinner in Chinese way, such as a dinner with 10 dishes at least. I can show you an example, I used to take some American businessmen to visit factories to China, more than once I have been asked by them where they can find Pizza Hut or McDonald’s after being invited by a hearty dinner with traditional Chinese food by a Chinese enterprisers. Chinese food is the most delicious food for us, but to American people western food is the dinner. Therefore, I think American people might feel uncomfortable about being invited by Chinese to have this big dinner. Every time I have dinner together with my American colleagues or friends, we never have such sumptuous dinner, but simple and fast food.

H: I also realized that simple and fast food or western food are more suitable for them. Last year we had a study trip to China that included 12 international students, and I found that in most cases they are more willing to eat western food rather than big dinner.

R: Yes, I think you should tell your client that western people emphasize on their main business when they come to China rather than eating, but for us we focus on food because Chinese people regard food as their primary want. In addition to that, Chinese people are accustomed to urge guests to drink during dinner to show their kindness, but American people have a different culture from us, they do not urge guests to drink and I think this is an inappropriate behavior when contacting with American people. In other words, inviting big dinner and urging guests to drink means Chinese people are over-enthusiastic for foreign guests and also made them inexplicable.

H: My client also told me that he arranged busy schedules when receiving American customers, including business events and entertainment just like receiving Chinese guests.

R: This is also a traditional Chinese way to receive guests and show enthusiasm to guests. I think it is really unnecessary for Chinese enterprisers to do in this way, they spend a lot of time to accompany guests, and the guests, American people may feel their freedoms have been violated. Last year I was in China together with some American businessmen to visit a Chinese company, the Chinese enterpriser insisted on taking Americans to the airport before they leaving, but the American businessmen intend to look around of that city rather than going to the airport
directly, so that American people felt unpleasant about the Chinese enterpriser, because they believe that their personal time should not be disturbed or arranged by others. As you can see, this is an incompatible event due to the over-enthusiastic of Chinese businessmen; over-enthusiastic is inappropriate for American guests because they highly value personal freedom.

H: I feel like that working time and personal time are separated in their opinions. So far, I think we have already talked about the cultural differences of business etiquette such as greeting, nonverbal communication and dressing, and also mobile phone culture between American and us. Besides, we also talked about the differences of negotiation styles and the receptions, I think these are the most important knowledge for my client to get a general understanding about American culture and business culture.

R: And they will use this knowledge as a standard to do business with their customers?

H: Yes, my client has already realized that it is important to understand their culture at first and then start to build and maintain business relationship with them. As a result, a general overview of American business culture is necessary for them, and then I will indicate the differences and advice about how to do business with American customers and what factors they need to pay attention when contact with them, and so on.

R: I think this knowledge will really helpful for your client in order to establish long-term contact with their customers.

H: We have compared the business cultural differences in the fields of business etiquette, business reception and business negotiation; do you think there are enough for my client to know a general understanding about America?

R: As a starting point I think it is enough because they need some time to read, think and accept. Oh, in addition, I would just like to add one more thing, which is related to gift exchange during international business communication. Sending present is an encouraged way during international activities; personally, the gifts that represent Chinese traditional features are highly appreciated by American people. For instance, I sent an imitative Terracotta Warriors as a gift to my American colleague that was highly welcomed by him.

H: Also a good point. Thank you for sharing me with the information and knowledge about American business culture, I believe this knowledge will give my client a clear overview about their customers’ culture. And finally, in conclusion, what kind of advice would you give to my client when contacting with American customers?
R: Well, we have already discussed a lot of differences and some suggestions, but in the final summary, I think, contacting with them based on the premise that respect them and do not influence their personal freedom, and to be confident.

H: Ok, thanks for your information and advice, thank you for your time.